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National Municipal Review

Editorial Comment

Progress in the Counties

FOR the fourth time[1] the NATIONAL MUNICIPAL REVIEW devotes an issue to discussion of problems of county government. The articles published herein, written by some of those who have been deeply and thoughtfully concerned with county problems, present a challenging picture.

In the confusion of the decentralized, irresponsible structural organization of the county, the political spoils machines have had some of their richest pickings—but, oddly enough, the "shame of the *cities*" is what makes all the headlines.

Sensational facts which indicate how universally counties are failing to "make democracy work" are widely publicized only occasionally, as in New York City which is in the unique position of being made up of five so-called counties, or in other big cities whose people never seem entirely aware that they live under two governments serving exactly the same territory.

Almost all of the more than 3,000 counties in the country (with practical need for perhaps 25 per cent of that number) seem to present a uniformly depressing picture of political control at its worst, serene adherence to the spoils system, wasteful inefficiency, lack of administrative organization, diffusion of responsibility to the point where there is virtually none, accompanied by an amazing indifference on the part of the voters.

Even in those counties where cities which make up the major share of the counties' populations have splendid records of governmental accomplishment, the good example appears to arouse more resentment and cupidity than a "go thou and do likewise" attitude. As a city man, a voter will insist on nonpartisan elections, the merit system, efficient and honest administration, and all the other elements which go into the formation of what is termed "good government"; but when he votes as a countian, he seems to be another person.

To illustrate: One of the most enlightened, cultured, well governed cities of the middle west lies in almost the exact center of a prosperous county which has far above the average amount of education and general intelligence. A few years ago there were two candidates for coroner, one a

[1]Previous county issues, August 1932, October 1934, October 1936.

pathologist of some note who has frequently been called in by coroners to investigate particularly difficult cases, the other a man whose chief qualification seemed to be that he was an unusually active war veteran. The veteran won because he was on the ticket of the political party which carried the state. And the pathologist felt silly over having let his friends in the other party persuade him to run by appealing to his sense of civic duty.

But beneath the murky clouds which tend to keep the counties in blissful obscurity bright beams of light are beginning to appear. The articles in this REVIEW reveal some of them. It probably is impossible to make an accurate guess at the number which have inconspicuously taken large strides forward.

There are counties in which the governing bodies have quietly picked a particularly able person to assume administrative duties. There are six counties which have the manager plan outright. There are a number of other counties which have elected executives or other chief administrative officers. There have been consolidations of offices and functions—even functional consolidations as between counties.

There are some who will doubt the ultimate wisdom of another kind of "county consolidation" which has been going on in the form of surrender of services to the states, for they fear this development as a step toward the total loss of independence in the primary units with its implied threat to democratic processes.

But whether it can be credited to increasing enlightenment on the part of the sovereign voter or the increasing threat from the states of "do a good job or die!" the counties appear definitely to be struggling to escape the apt appelation which has been hung on them, "the dark continent of American politics."

To Greater Achievement in Kalamazoo

THERE have been strange doings in Kalamazoo. A little more than a year ago this Michigan city of about 60,000 population was widely publicized when it burned its last bond and became the only debt-free pay-as-you-go city of over 50,000 in the United States.

With magazines, newspapers, and public speakers singing its praises and discussing the sound management and enlightened financial program which made this record possible despite the depression, Kalamazoo might well have been forgiven if it had become self-satisfied and indulgent.

But there was none of this. Instead, the city fathers called in the "experts"—a prominent firm of consultants in the field of public administration and finance[1]—to make an exhaustive survey with

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[1]J. L. Jacobs & Company, Chicago.

The State Commission of Local Government

By RAYMOND B. PINCHBECK
Chairman, Virginia Commission on County Government

Experience in Virginia, North Carolina, and elsewhere indicates that establishment of permanent local commissions by the states may be one approach to the solution of county problems.

AS CLEARLY pointed out by Professors Fairlie and Kneier and others, judicial opinions give the American county a legal position wholly subordinate to that of the state government. This is in contrast with the ancient Anglo-Saxon shire which enjoyed large local autonomy prior to the governmental centralization which followed the Norman Conquest, but has since become largely an administrative district of the general government.

This latter view was early taken in America, prior to and subsequent to the beginning of the popular election of county officials. Chief Justice Roger B. Taney stated in 1845 that "counties are nothing more than certain portions of the territory into which the state is divided for the more convenient exercise of the powers of government." Another federal court held in 1907 that counties "exist only for the purpose of the general political government of the state. They are agents and instrumentalities the state uses to perform its functions. All powers with which they are entrusted are the powers of the state." The American state courts have ruled in substantially the same terms on the relation of the county to the state government.

In summary, it may be said that in the broadest sense all local government is but a subdivision of the government of the state itself. In the main, the state creates the county as the unit of government to render governmental services to rural areas, while it creates the town and city to render governmental services to essentially urban areas.

The county derives its existence directly from the same state constitution upon which the state government, itself, rests, while the municipal corporation derives its specific, detailed charter privileges of local self-government from an act of the state legislature as permitted by the state constitution.

One recognizes that this is somewhat of an oversimplification of the importance of local government. In 1934 Professor William Anderson of the University of Minnesota stated that there were 175,369 units of local government in the United States. These included 3,053 counties, 16,366 incorporated places, 20,262 towns and townships, 127,108 school districts, and 8,580 other local units.

In spite of this legal subservi-

ency of the county as an administrative district and agent of the state, we like to think of the county as an important unit of local democratic self-government. Even though the county judges have always administered the system of state justice, county prosecuting attorneys have prosecuted criminals charged with the violation of state laws, county sheriffs have made arrests of, and had the custody of prisoners and served state court writs, county tax assessors have assessed state taxes, and county treasurers have collected state taxes, we ordinarily elect these officials by local vote and somehow regard them as local officials in a local democracy.

STATE SUPERVISION EXTENDED

During the past twenty-five years there has been notable extension of state authority in the fields of parks and recreation, agricultural promotion, education, health and sanitation, institutions for delinquents and defectives, highways, public welfare, food inspections, and, to a lesser degree, in other fields. In the case of highways, the state has in some instances taken over their construction and maintenance. In North Carolina the state has assumed the entire responsibility of operating the public schools, no county taxes being levied except for debt service. The same is true for North Carolina highways including county roads.

Thus the county has lost certain formerly local functions, in whole or in part, to the state government, or, in certain instances, to municipalities and special districts. However, as pointed out by President Hoover's Research Committee on Social Trends in 1933, the county has in many instances assumed new functions "made necessary by increasing population and its demands. This movement enabled the county to maintain its place in the state plan of local areas." It might be added that federal government relief and public works, as well as the national program of social security, have made a notable mark on the county since this date.

The Hoover Committee listed the new county functions which had appeared largely since 1915 as:

1. County and regional planning for future growth;
2. The erection and maintenance of memorials, armories, and other memorial buildings;
3. The employment of county nurses;
4. Establishment of full time health departments;
5. Establishment of clinics, hospitals, sanitoria, and other institutions;
6. Introduction of specialized child welfare work;
7. Payment of pensions to mothers, the blind, and the aged;
8. Establishment of libraries to serve rural areas;
9. Establishment of the county unit system of education;
10. Provision of transportation to school children;
11. Aid to agricultural interests through fairs, farm agents, instruction in raising produce, the elimination of pests, financial aid in seed purchase, and crop planning and marketing;
12. Vocational education in agriculture and home economics;
13. Schools for special types of instruction, including adult education, classes for the hard of hearing and sight, juvenile delinquents;

14. Provision of parks, playgrounds, and other recreational facilities;
15. Forest fire prevention;
16. Maintenance of airports;
17. Promotion of trade and general growth through advertising and exhibitions.

Following the "muckraking" decade of the 1890's, American cities made considerable strides in the elimination of corruption and the introduction of efficient administrative organization and procedures. These improvements included the introduction of budget systems, modern accounting, audit and reporting, departmentalization of administration, reduction in the administrative functions of city councils, scientific assessment of taxable properties, gradual introduction of the short ballot principle, and in 1908 the introduction of the city manager as business executive for the city's policy-making body. There are now 453 manager cities and six manager counties in the United States. (Twenty-one cities in other countries are also under the manager plan.)

In 1937 forty-one states had eight part-time and thirty-three full-time municipal leagues furnishing legislative information, municipal magazines, inquiry service, in-service training programs, preparation of model ordinances, and coöperative service functions to 7,200 member cities. Nearly 11,000 officials attended annual league meetings in twenty-seven states, while nine leagues held regional meetings.

In some instances surveys of state governments have included a survey of the county government of the state concerned. This was true of the New York Bureau of Municipal Research study in Virginia in 1926-7, the Brookings survey in Alabama in 1931-2, in Mississippi in 1931-2, and in North Carolina in 1929-30. Surveys of county government, however, have been all too few.

COUNTY PROVISION IN CONSTITUTIONS

Many American states have written into their constitutions provision for the election or appointment of certain county officials and otherwise codified the organization and administration of their county government in the organic law of the state. The legislatures of these states, under their constitutional powers, have created still other county offices and prescribed their duties and method of appointment or election. State statutes prescribe and control the county official election machinery and methods. By statute and by financial and administrative control, such state executive departments as those of law, taxation, education, health, highways, public welfare, agriculture, conservation and development exercise important control over the administration of these services in the counties.

From 1921 to 1927 North Carolina attempted the fiscal supervision of its counties through the state auditor, with the same unsatisfactory results found in other states. From 1910 to 1928 Virginia sought to do the same

thing through the office of state accountant created in 1910. Only since 1928, under greatly increased statutory authority, has the Virginia State Auditor of Public Accounts been able to compel the keeping of uniform accounts and to require an independent audit of Virginia county accounts, which he publishes for all counties in summarized comparative form.

In other states county government supervision has been placed in the State Tax Commission, as in Wisconsin, the Department of Municipal Accounts and Local Taxation under the Commissioner of Taxation and Corporations in Massachusetts, the Department of Municipal Accounts under the State Treasurer in New Jersey, the State Auditor's office in Ohio, the State Comptroller's office in New York, and the State Bank Examiner in Wyoming.

STATE SUPERVISION FAILS

In general, state constitutional, statutory, electoral, and executive department control over county governmental affairs has failed.

Not only has such supervision failed to result in effective, efficient, economical, and democratically responsible county government, but this failure has forced the state to render increased state financial aid for the operation of county governments, and to assume formerly local functions because of the complete breakdown of county administration of such functions, under the complexities of modern conditions.

The findings and recommendations of the occasional surveys or studies by legislative commissions or professional survey organizations have resulted in relatively small improvement in terms of the elimination of the fundamental defects in county government by constitutional change or by legislative action. They have served, however, to bring to public attention the legion of defects which are demoralizing the effectiveness of local democratic government in American counties. These numerous defects may be summarized as follows:

1. County government is not organized as a county unit with a legislative policy-making board, elected by all the voters of the county, responsible for the administration of all county government affairs. Instead, responsibility is diffused among a large number of independently elected or appointed officers and boards. County government, as a result, has no responsible head.

2. This diffusion of official responsibility causes county government to be highly undemocratic and unresponsive to popular control, since it is impossible to place responsibility.

3. Too many technical and professional administrative officials of the counties are popularly elected or derive their appointment from some other source than the popularly-elected central policy-making board of the county.

4. Monthly or less frequent meetings of county boards fail to provide twenty-four-hour daily service required of modern county governments. Moreover, municipal experience has long ago proved the unwisdom of having a legislative board serve also as an administrative body.

5. The central county legislative policy-making board usually lacks a trained and experienced administrator to execute its policies and ordinances every day in the year.

6. County government functions are not properly departmentalized with

departmental administrative heads appointed by and responsible to the central policy-making body of the county.

7. County government accounting, auditing, budgeting, and reporting methods and procedures are, in general, thoroughly inadequate to afford proper financial control of the counties' fiscal affairs. This fiscal control should be the responsibility of the central county legislative policy-making body which is elected by the voters of the county at large.

8. The counties lack modern centralized purchasing offices, required and equipped to make purchases, under competitive bids, for all county officials and departments, including the schools.

9. Most counties lack an adequate system for the assessment of properties and other taxables, and for tax equalization. As a consequence, the most glaring inequalities exist between citizens owning real estate, tangible and intangible personal property, or other taxables, of substantially the same true value.

10. The salaries of all county officials and employees and all county expenditures should be controlled by the central county legislative policy-making board. All revenues and fees should be paid into the county treasury and expenditures made on order of the county board, as planned by the county budget.

11. There is no adequate program for the proper recruitment, selection, pay, placement, promotion, training, recreation, supervision, separation, or retirement of officials and employees for service in county government.

12. The officers and employees of all special districts within the county should be subject to central county board, just as in the case of all other county officials.

13. County schools are governed and administered by boards and officials largely beyond the control of county voters. Frequently these school boards and officials are actually separate governments apart from the general county government, with tax-levying powers, and little or no responsibility to the central legislative policy-making board of the county elected by the voters of the county at large. The county schools should be a department of the general government of the county, subject, of course, to state department of education standards of performance and supervision.

14. County jails and local lockups should be abolished, except as places for the custody of prisoners during trial, and replaced by regional jail farms, each serving several counties and subject to the regulation of the state welfare department.

15. State statutes often fail to make adequate provision for the removal of corrupt and conspicuously inefficient officials, or officials demonstrably unfit to fill their offices.

16. The area, population, and assessed taxable properties of a large number of American counties do not justify a unit of government of such small size, population, and taxable wealth. It cannot financially support the services required of modern county government. Modern transportation and communication make a larger administrative district feasible and desirable. Only by geographical or functional consolidation can this defect in county government ultimately be solved. Unless this is done shortly, state centralization of all formerly county functions must result. The 3,053 counties should be reduced by at least 60 per cent in number.

LOCAL GOVERNMENT COMMISSIONS

Recognizing that the solution of county government problems requires a long-time program of continuous action, there are beginning to appear in the various state governments permanent commissions on county and local government.

In 1927 the legislature of North Carolina created the County Government Advisory Commission. It was composed of five members appointed by the Governor, three of whom had to be county commissioners, to serve not in excess of four years without compensation except for actual expenses. The commission's duties, as described by Professor Paul W. Wager, required it to take under

consideration the whole subject of county administration, to advise with the county commissioners as to the best methods of administering the county business, to prepare and recommend to the governing authorities of the various counties simple and efficient methods of accounting, together with blanks, books, and other necessary improvements, to suggest such changes in the organizations of departments of the county government as would best promote the public interest, and to render assistance in carrying the same into operation. They could from time to time recommend such changes in the laws controlling county government as they deemed advisable.

The North Carolina Commission employed an executive secretary to visit the counties in the state and to advise and counsel the county commissioners and other county officials in methods of economical, competent, and efficient administration in terms of levying and collecting taxes and other revenues, keeping accounts and reporting, and provide published manuals of guidance for county officials.

In its 1930 North Carolina survey, the Brookings Institution found marked improvement in the budgeting and accounting of a high percentage of the counties, and large savings in the costs of county audits. The survey stated that: "Despite the limited powers of the commission, many county officers have stated that its advice and assistance together with the mandatory provisions of the County Fiscal Control Act and the County Finance Act have saved their counties from either bankruptcy or acute financial embarrassment."

COMMISSION RECOMMENDED FOR NORTH CAROLINA

On the grounds that the success of the County Government Advisory Commission was "sufficient proof to indicate the desirability of a more extensive and mandatory program," the Brookings Institution recommended the establishment of a State Department of Local Government headed by a commissioner, appointed by the Governor, who would be advised by a Local Government Advisory Council. This department would serve the counties and the cities. Its commissioner would have power to install uniform accounts, budgeting, and reporting for counties and cities, supervise the accretion of sinking funds of all local governments, and control all local bond issues and other local indebtedness.

In 1931 the North Carolina legislature created the Local Government Commission to succeed the old Advisory Commission. All proposed bond issues of counties and cities must be approved by this Local Government Commission, and such bonds must be sold by the commission. The commission requires the local units to file financial reports semi-annually, and budgets of those units which have been in default on their indebtedness and which have

refunded that debt through the commission must be approved by the commission.

Although the commission has considerable powers under the law, including power to compel uniform purchasing procedure, it confines its activities almost entirely to the approval and sale of bonds and working out of refunding plans for those units which have been in default. No improvements in either the form or the procedure of county government have been initiated in the state recently.

In its 1932 report on its survey of state and county government in Mississippi, the Brookings Institution recommended the creation of either a State Department of Local Government or a Local Government Commission. The department would be headed by a commissioner appointed by the Governor, while the commission, if this were established, would appoint a director who would have complete administrative authority over the office and staff. If the commission were created, instead of the Department of Local Government, it would consist of seven members including the state officer in charge of auditing the counties, the head of the State Tax Department, and the Attorney-General, as an ex-officio member, along with four citizens from different parts of the state who were acquainted with county and municipal affairs. Neither of these has been adopted by the Mississippi legislature.

The creation of a State Department of Local Government was recommended by the Brookings Institution in its survey of state and local government in Alabama in 1932. To date, this recommendation has not been approved.

In 1931 the California Legislative Commission on County Home Rule recommended the creation of an Advisory County Commission to continue the study of county governments, and to afford advice to county officials on personnel problems, salaries, taxation, budgeting, auditing, legal work, statistics, and reporting.

Beginning as a state division of municipal statistics and information in 1915, the Pennsylvania State Bureau of Municipal Affairs has a wide range of purely advisory functions of an educational and promotional character. It has operated through three divisions: comparative municipal statistics; auditing, accounting and reporting; and municipal planning.

COMMISSION FOR PENNSYLVANIA

In 1935 the Pennsylvania legislature appointed a special Local Government Commission to study local government with a view to recommending legislation for its improvement. This commission was continued in 1937. Although this commission has reported to the legislature, no marked changes in county government have resulted. Certain problems of and proposed changes in Pennsylvania county government are being studied for the 1939 session of the legislature. Among these is a

constitutional amendment, which passed the 1937 legislature and must now pass the 1939 legislature and be voted on by the people, which eliminates as elective officers all county officials except the county controller, the district attorney, and the sheriff. All structural changes in Pennsylvania county government are awaiting this amendment.

VIRGINIA'S COMMISSION

In his study of Virginia county government entitled *Problems in Contemporary County Government,* published in 1930, Wylie Kilpatrick proposed for Virginia a State Commission or Department of County Government, to organize and coöperate with a state-wide association of county officials. This proposed commission or department would have a wide range of supervisory and control functions which would be performed by the following officials: an accountant, an auditor, an assessment advisor, a legal staff member, a statistician, a purchasing agent, a personnel advisor, and field staff examiners. He stated that new services by the county and city from time to time would justify the addition of new technical staff members in such fields as local planning and zoning.

Mr. Kilpatrick proposed that the General Assembly of Virginia charter a State League of County Officials for the purpose of holding forum meetings on county problems, to provide committees for the study of county problems and recommend changes in laws affecting the counties, to nominate to the Governor a director of the State Commission on County Government Administration, and to appoint three of its members to serve on the State Commission on County Government Administration with three other commission members appointed by the Governor. As a preferable method of choosing the director, these six commission members would select the seventh member who would serve as director of the commission and secretary to the League of County Officials.

The present permanent Virginia Commission on County Government was created by the General Assembly of Virginia in 1930 "as a continuing commission on county government to draft a general law setting forth optional forms of county government, to investigate the operation and cost of county government, and to study comparative county government in Virginia." Its immediate need grew out of the constitutional amendment of June 19, 1928, permitting the counties of Virginia to adopt optional forms of county government other than that detailed in the state constitution. Its initial report to the General Assembly in 1932 covered a complete survey of comparative costs and operation of county governments, the main problems of Virginia county government, and suggested statutes for the creation of the county manager and county executive optional forms of county govern-

ment which were adopted by the General Assembly essentially as recommended.

The commission reported to the 1934, 1936, and 1938 meetings of the General Assembly. The 1936 report presented a detailed study of proposed geographical consolidations of the one hundred Virginia counties into thirty-one districts. Largely because of bitter factional fights in the seven counties which had held elections on the question of adopting one or the other of the optional forms of county government, and opposition to the mere suggestion of county consolidation, the 1936 and 1938 General Assemblies refused to appropriate any funds for the commission, although Governor Peery and Governor Price recommended a budget item of $2,500 for each of the bienniums. The commission is now functioning without funds, with its five members bearing their own expenses.

The Virginia Commission on County Government is a continuing research body for the purpose of making studies and recommendations to the General Assembly. It has no legal authority or means of rendering even advisory service to counties and their officials. It has rendered, through its chairmen and individual members, educational service in counties where adoption of one of the optional forms was under discussion or pending election. Its reports have been widely publicized in the press and have been used in college government classes and high school civics classes and debates.

At the present time, the Commission is coöperating with a committee of twelve members of the League of Virginia Counties in a study of:

1. A possible third optional form of county government which may be more acceptable to the ninety-seven counties now operating under the old form which has remained essentially unchanged since 1852.
2. The establishment of about thirty "shire councils" composed of the county boards of supervisors and school boards in the "shires," for the regional control of all "state aid" functions of county government without the change of county names, lines, court houses, records, or administrative functions.
3. The establishment of a bureau in the office of the State Auditor of Public Accounts for the administration of the proposed requirement that all cities and towns maintain uniform accounts, auditing procedures and reports, and fiscal years, so as to permit the State Auditor to compile comparable state, city, county and town statistics on the total cost of Virginia government.
4. The creation of "metropolitan areas" to permit Virginia cities to extend city services to a greatly enlarged municipal district by permitting varying tax rates in different portions of the area, varied according to the types of capital outlays provided by the city. This latter proposal is designed to solve the vexing problem resulting from the annexation of county territory by cities which are by Virginia law entirely separate from adjoining counties.

Although only three years old, as contrasted with the League of Virginia Municipalities which was founded in 1905, the League of Virginia Counties includes as members seventy-eight of the one hundred Virginia counties and is rendering a vitally important

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Home Rule for Counties Continues Its Progress

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Counties must be encouraged to use the power which is theirs, under numerous state constitutional provisions, to improve their governmental setup.

AGITATION for municipal home rule preceded a similar movement of home rule for counties by several decades. The earlier movement grew during the latter part of the nineteenth century as the result of excessive legislative interference in the affairs of cities. With the rapid growth of cities, such interference was accompanied by corruption, bribery, and mismanagement. The legislators found a very lucrative additional source of income connected with legislation relating to extensive municipal building programs, the giving of franchises to favored public utilities, or through other methods well known to students of the history of municipal government.

To meet the problem of corruption, reformers attacked the power of the legislature to enact special legislation. First efforts were directed to adoption of constitutional amendments requiring that all laws affecting cities be of general application. Many state constitutions now contain such provisions. Home rule advocates, however, recognized that uniform legislation could not meet the diverse needs of the various cities and found that the only proper place to treat those needs was in the cities themselves. They were successful in securing the adoption of constitutional amendments providing municipal home rule for one-third of the states of the union.

Home rule today is primarily a substitute for special legislation —only secondarily do its advocates concern themselves with the inroads of general legislation, the loss of functions through centralization, or the growth of state and federal administrative regulation and control.

The movement for county home rule finds its justification in analogy rather than in any similarity of historical development. County functions and expenditures did not increase with the same rapidity as did those of cities, and consequently the same opportunity for graft and corruption in the state legislatures did not arise.

It is true that since the turn of the century urban counties have begun to assume municipal functions, and with the need of specialized treatment for these counties there has grown the demand for county home rule. Although the best case for home rule can be made for urban counties,

the arguments used are not so restricted but frequently apply to all counties, based on the broad principles of the right of local self-government.

Advocates of the plan have recognized from the beginning of the movement that the adoption of home rule principles could not confer as extensive powers on counties as those conferred on cities. The county, which is the primary administrative subdivision of the state, must remain under closer state supervision than is necessary for the city, which is created primarily to satisfy needs more peculiarly local in their nature. Cities can be given broader authority to modify their powers and structure to meet those needs, but it is assumed that the state can best judge the powers and structure of county government most nearly suited to meet its administrative requirements. With the growing lag in the expansion of city boundaries, however, counties have had to assume new functions municipal in nature. If this trend is accepted as marking the future development of urban counties, the need for self-government in these counties will be as broad as the need for municipal home rule.

The term "home rule" embodies the concept of self-government whether applied to nations, states, municipalities, or counties. Wherever any power of local self-determination exists, there, in some degree, is the power of local home rule. From this point of view, the city political machines that are able to get what they want from the state legislatures, in so far as they represent the city, are exercising their power of home rule.

It is claimed by some that county home rule exists in many states today because it is possible to secure special legislation for any county through friendly intercession by the representative from such county sitting in the state legislature. This view is basically inconsistent with the whole home rule movement, whose main purpose is the elimination of such special legislation. Apparently the subconscious distinction made by those holding this view is that if special legislation is secured by groups identified with corruption it is a violation of home rule principles, but if it seems apparent that the best interests of the county are being served, particularly if at the instigation of reform or "good government" groups within the county, it must fall in the category of county home rule.

HOME RULE IN STATE CONSTITUTIONS

Just as the municipal home rule movement advocated amendment to the state constitution, county home rule likewise is considered generally to be based on constitutional provisions restricting the legislature in its relationship with the counties. Most state constitutions prohibit special legislation affecting counties. In some cases the prohibitions are broad and sweeping, similar to the provisions regarding cities. Such limita-

tions frequently do not limit, for they can be avoided by legislative chicanery.

Express prohibitions most commonly found relate to the transferring of county seats and the changing of county boundaries. Frequently local referenda are required, with extraordinary favorable majorities, before a county seat may be moved or the boundaries changed. Slightly more extensive county home rule is provided in the constitutions of several states where the township form of government is optional. Under such a provision, two counties in Minnesota voted to abandon the township form last November.

The term "county home rule" is applied more commonly to those provisions in state constitutions giving the county the power to draft its own charter or to choose one of several charters found in the statutes of the state and made optional for some or all counties. Some writers prefer to apply the term only to instances where the counties are empowered to draft their own charters. However, in either case the county is subject to the constitution and statutes of the state, and it can adopt no charter provisions contrary to them.

In both cases the principles have been borrowed from the municipal home rule movement. This is illustrated by the fact that, like cities, the counties of some states were given the option of adopting the commission form of government before the manager plan superseded it in popular favor. In practice either plan can confer as little or much home rule as the legislature, checked by the constitution, sees fit to confer.

It seems obvious that New York, under the optional government plan, offers more county home rule than California where the counties are empowered to draft their own charters. To insist upon separating the two methods today is to insist upon a distinction where there is no difference.

Eight states may be considered in the constitutional county home rule category. They are California, Louisiana, Maryland, Montana, New York, Ohio, Texas, and Virginia.

Other states may make any number of improvements in county government optional unhampered by constitutional restrictions. Thus North Carolina counties are permitted to adopt the manager plan, while several variations in structure and the scope of the manager's powers broaden the extent of the choice possible to the voters of the counties.

The Nebraska legislature attempted to grant the power to adopt the manager plan to the counties of that state, but the Supreme Court subsequently held the act unconstitutional. Since one county had acted under the statute, a movement is under way to adopt a constitutional amendment offsetting the effect of the decision.

Wisconsin enacted a law mak-

ing the commission form of county government optional, but in 1934 the State Supreme Court held the act unconstitutional. In 1937 a constitutional amendment permitting the submission of optional forms of county government was introduced in the state legislature, but it failed to be adopted.

In June 1938 the voters of North Dakota rejected a proposed constitutional amendment which would have permitted counties with populations of less than eight thousand to adopt the manager plan.

In 1937 the Pennsylvania legislature adopted a constitutional amendment permitting the submission of optional county charters. It is pending now in the 1939 legislature before being submitted to the voters for final ratification.

Michigan voted on county home rule in 1934 and 1936, but the amendment was defeated on both occasions.

HOME RULE AMENDMENTS

Activities in the period of 1911 to 1915 put California and Maryland in the vanguard of the states adopting constitutional county home rule. In 1913 Los Angeles County became the first charter county in the United States. It is operating still under the original charter, although at the present time some amendments are under consideration.[1] Maryland in 1915 became the second state to provide for constitutional county home rule. In both cases the constitutional amendments provided that the various counties should draft their own charters. The optional charter idea was not devised and adopted until somewhat later in the county home rule movement. In both California and Maryland the amendments provided that charter drafting bodies were to be elected, in the former case to be known as the board of freeholders and in the latter merely as the charter board. The first was to be a board of fifteen members, but the second a board of only five. In 1936 the California voters approved a further amendment permitting the legislative body of the county to propose new charters as an alternative method to the election of a board of freeholders. The alternative applied also to the amending of charters. The second major step provided by each of the amendments in the two states was the submission of the proposed charter to the voters of the county.

In Maryland, if adopted by the voters, the charter automatically went into effect subject only to the constitution and general statutes of the state. The amendment provided that the charter should repeal any local laws in conflict therewith. In California, however, final ratification was made to rest with the state legislature.

In addition to Los Angeles County mentioned above, several other California counties have

[1] Los Angeles has recently adopted by ordinance a modified county manager plan. See page 128 this issue.—Ed.

drafted charters. San Bernardino, Tehoma, Alameda, Butte, San Mateo, and Sacramento Counties have adopted charters, while the voters of Santa Clara, San Luis Obispo, and Kern Counties have rejected proposed charters within the past several years. In Maryland there seems to be no interest in county home rule at the present time.

The voters of Louisiana in 1921 approved an amendment permitting optional plans of parochial government, and in the following year Montana adopted a constitutional amendment that provided, "The legislative assembly may, by general or special law, provide any plan, kind, manner, or form of municipal government for counties . . . provided, however, that no form of government permitted in this section shall be adopted or discontinued until after it is submitted to the qualified electors in the territory affected and by them approved." In 1937 Gallatin County attempted to adopt the manager plan under this provision of the constitution, but the voters defeated the plan by a decisive margin.

No states adopted constitutional county home rule in the period from 1922 to 1928. In the latter year an amendment was added to the constitution of the state of Virginia which followed the example of Montana in regard to brevity of statement. The provision stated simply that the legislature could provide complete forms of county organization and government different from that provided for elsewhere in the constitution.

In conformity with the recommendations of a special county government committee, the legislature in 1932 passed an optional county government act. The major difference in the two plans presented by the statute was that in one plan the appointive chief executive selected his subordinates, while in the second plan the legislative body of the county made all appointments. Two counties of the state's one hundred, Albemarle and Henrico, have adopted charters under the optional charter law, and in five other counties proposed charters have been defeated at the polls. A third county, Arlington, has adopted a charter under a special act of the legislature.

Ohio and Texas were added to the county home rule states in 1933. The constitutional amendments in both states provided that the counties should frame their own charters, but such severe limitations were placed on them that in neither state has any county been able to adopt a charter under the constitutional provisions.

The Ohio constitutional amendment stated that the legislature might provide also for alternative forms of government. Although a bill providing four alternative plans was introduced in the 1935 session of the legislature, and one providing five plans in the 1938 legislature, neither bill became law. In the 1939 session of the

legislature a bill proposing two optional plans will be presented.

The major difficulty, however, arises in the following provision of the Ohio constitution: "No charter or amendment vesting any municipal powers in the county shall become effective unless it shall have been approved by a majority of those voting thereon (1) in the county, (2) in the largest municipality, (3) in the county outside such municipality, and (4) in each of a majority of the combined total of municipalities and townships in the county (not including within any township any part of its area lying within a municipality)." The voters of Cuyahoga County, which embraces the city of Cleveland, returned a majority vote for a charter drafted by a local charter commission, but the Supreme Court of the state ruled that the proposed charter would vest municipal powers in the county, and since it had not secured the four-way majority it was declared defeated. In three other counties of the state charters were drafted by local commissions in 1935 and placed on the ballot, but the proposals received a minority of the votes cast in each case.

The Texas constitutional amendment was the only one that incorporated the expression "county home rule" in the amendment itself. It asserted the right of local self-government with the sweeping introduction, "Holding the belief that the highest degree of local self-government which is consistent with the efficient conduct of those affairs by necessity lodged in the nation and the state will prove most responsive to the will of the people, and result to reward their diligence and intelligence by greater economy and efficiency in their local governmental affairs, it is hereby ordained. . . ." After such bold assertions the powers actually granted to counties appear rather timid.

Although counties with populations of 62,000 or more were given the power to draft and adopt their own charters, charters drafted by counties of smaller size required the approval of the state legislature by a two-thirds vote. Consequently only thirteen counties of the 254 in the state now have the power to draft and adopt their own charters. Furthermore, the amendment provided that to be adopted any proposed charter had to secure a majority affirmative vote not only in the whole county but in both incorporated and unincorporated areas counted separately.

Six counties attempted to take advantage of the amendment and called for the election of charter commissions, but only one commission actually drafted and submitted a charter. The charter secured a majority of all the votes cast, but not the two-way majority required.

MAXIMUM HOME RULE IN NEW YORK STATE

New York State generally is cited as the outstanding example of the success of county home rule. A constitutional amend-

ment permitting the legislature to provide alternative forms of government was passed by the legislature in 1934 and 1935, and it was adopted by the people in the latter year. Like the Texas amendment, it too placed additional restrictions on urban counties. It provided that where one-quarter or more of the population of the county was to be found in a single city a proposed county charter had to receive a majority of the votes cast both in such city and in the area outside of it.

Before popular ratification of the constitutional amendment in November 1935, the legislature had enacted an optional county government law, under which Monroe County, which includes the city of Rochester, adopted the county manager form.

The optional county government law enacted by the 1935 legislature provided for two alternative forms of government, but the 1936 legislature, acting under the new amendment, passed a statute that provided five more alternatives. Due to criticisms from various quarters that the 1936 law was still too restrictive and unable to choose between two bills before them, the 1937 legislature passed both, one providing four alternative plans of county government and the other providing five.

Thus by enumeration sixteen basic plans were presented to the counties. The number of options permitted, however, was really much larger. In each of the three laws enacted after the adoption of the amendment, the last option was in reality an omnibus plan whereby a county could draft a charter incorporating any number of features found elsewhere in the law. Minds of a mathematical bent have calculated that the number of optional plans now possible nears the thousand mark.

No county in the state has adopted a charter under any of the three laws passed to implement the county home rule amendment. The voters of Erie County (Buffalo) and Schenectady County defeated proposed charters in November 1937. Adding another element of confusion Westchester and Nassau Counties drafted charters and secured their passage by the legislature as further optional forms. In both counties the charters were adopted by the people and are now in operation.

CONTINUATION OF HOME RULE

It appears that the advocates of county home rule have no reason to lose faith in their cause. Progress always has been slow, but it is important to note that some progress has been made. The county home rule movement identifies itself very closely with the county manager plan and city-county consolidations, and success or failure in the latter movements probably will determine the success or failure of the former. There are more practical difficulties in reconciling home rule with the movement for the consolidation of counties, but since

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County Consolidation by Indirection

By PAUL W. WAGER
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If democracy is to be strengthened local governments cannot abdicate. Transfers and consolidations must not become a surrender but a step toward a governmental structure in conformity with the times.

THE fact that after twenty years of agitation there have been only two instances of county consolidation strongly suggests that little may be expected in that direction. Tradition, politics, and vested interests combined form a powerful resistance. Moreover, it must be admitted that consolidation would not in every case correct present deficiencies. There are many instances where consolidation of a poor rural county with a strong, wealthy neighbor would have an invigorating effect on the poorer area without any enervating effect on the more robust member of the partnership. On the other hand, the consolidation of two weak counties, neither of which had a strong trade center, would not produce a healthy county. It might ease the financial burden slightly but it would not produce an ideal political unit.

The objective in county consolidation is not a minimum area or a minimum population, though either might be an element of strength. The objective is a balanced political unit, with mixed resources and with a population embracing a plurality of interests and occupations. In other words, a vigorous political unit needs to be an organism not merely a certain magnitude of area and population.

There would be a better chance of achieving this in a maximum number of cases by obliterating all existing county boundaries and recasting a state into new and fewer counties around those towns which are the centers of economic and social activity than by consolidating present counties. But it is idle to believe or hope that this will happen. It would upset every existing political machine and all the careful gerrymandering of a generation. Therefore, since there is little prospect of success in either consolidating counties or redrawing county lines, the reconstruction of areas is most likely to be accomplished by indirection.

NEW DISTRICTS FOR STATE ADMINISTRATION

Two trends already in evidence may prove useful vehicles by which to achieve the desired structure. The first is the steady transfer of functions from the township to the county or from the county to the state. This is illustrated by the transfer of road administration and support from the township to the county as in Michigan and Pennsylvania, and from the county to the state as in Virginia, West Virginia, and North Carolina. Similar transfers are being

made in the fields of public health, public welfare, and crime control. Larger state grants for schools and libraries are steps in the same direction.

Whenever the state assumes the administration of a new function it usually finds it convenient to set up administrative districts. These may embrace three, four, or a half dozen whole counties, though sometimes the district lines divide counties. For health administration New Mexico's thirty-one counties are grouped into ten districts, for school administration Nevada's seventeen counties into five districts, for road administration North Carolina's one hundred counties into about thirty districts. In Virginia district homes serve eight or ten counties.

Thus, for the administration of a single function, units larger than a county are being set up in numerous states. The district office is likely to be located at the largest and most central county seat. To this office the citizens from the entire district are beginning to wear a path.

FUNCTIONAL CONSOLIDATION

The second trend is functional consolidation, which is nothing more than coöperation of two or more existing units of government in the performance of particular functions. This sometimes takes the form of joint performance of the common functions by the two or more units concerned; in other instances it takes the form of a contractual agreement whereby one unit engages to perform services for another. If there is to be joint performance, there is usually, though not necessarily, a special district created.

Authority to enter into either form of coöperation is usually provided in general statutes, although in some instances joint districts have been set up by the legislature for the performance of specific functions. While functional consolidation may be authorized as between any two or more units of local government, the usual practice has been to limit the privilege either to two or more contiguous counties or to a particular county and the cities or other political subdivisions therein.

This degree of consolidation is appealing because it leads to immediate and obvious savings and because it arouses a minimum of antagonism. Probably little antagonism has been aroused because most functional consolidations have been in expanding fields and have thus not affected existing jobs or otherwise disturbed vested interests. As counties shed old functions and adopt new ones, or as the state is districted for the administration of new functions, an excellent opportunity is offered to effect inter-county coöperation and thereby dissolve the intense localism of an earlier era.

ENABLING LEGISLATION WIDESPREAD

The last few years have seen the enactment of much enabling legislation in the interest of functional consolidation. In 1935 an Ohio statute authorized any county to

contract with another for the performance of a county function, or to enter into an agreement with the legislative authority of any taxing subdivision to perform any service which the latter is authorized to perform. The law provides that the agreement shall either fix the amount to be paid or prescribe the method for determining the amount.

A California statute of the same year authorizes counties to contract with cities and towns within their borders to perform municipal functions for them. New York's recent home rule amendment allows the boards of supervisors of two or more counties to provide, by agreement, for the joint discharge of one or more governmental functions.

Many states have authorized functional consolidation with respect to the performance of specific services. Thus, Washington has provided that any two or more adjacent counties may maintain a joint tuberculosis sanitorium. Pennsylvania has authorized the consolidation of the poor districts within a county. Fulton County, Georgia, and the city of Atlanta were empowered in 1935 to contract with each other with respect to the operation of a sewage disposal plant.

South Carolina cities, towns, and counties have been authorized to take joint action in the operation of parks, playgrounds, and recreational centers. In New Mexico, ten health districts, consisting of from two to four counties each, have been established with district health officers supplanting county health officials. Similar district health units have been established in Michigan, Indiana, and North Carolina.

Several years ago Virginia began closing its county almshouses and setting up district hospital-homes for the indigent aged, and now old-age assistance is reducing the population of the county homes so greatly in all states that district institutions are being recommended. Most of the county homes have been closed in Alabama, nearly half of them in Georgia, and a number in each of several other states. Four counties in North Carolina recently united in constructing a hospital for their joint use. District jails or prison farms are being considered in Virginia and other states.

Within the last two years legislation has been enacted authorizing the coöperation of counties in the establishment of district welfare departments in Georgia, Michigan, Montana, and Washington. The legislatures of Florida and Utah have authorized joint action by counties in the establishment and maintenance of airports. In 1937 Kansas provided that two or more counties might unite in the support of a county home. The same year West Virginia authorized counties to contract with each other for the institutional care of public charges.

Other functions which local units in various states have been authorized to perform jointly or for each other include: maintenance of libraries, provision of rec-

reational facilities, fire protection, operation of water and electric utilities, soil conservation and flood prevention activities, and the conducting of civil service examinations.

Perhaps the banner achievement in functional consolidation has been in Los Angeles County, California. In 1936 this county, under contract, assessed property and collected taxes for thirty-eight of the county's forty-four cities, performed health functions for thirty-six cities, provided library facilities for twenty-one cities, and performed civil service functions for two cities.

DISTRICT OFFICES WILL CONCENTRATE

These experiments in joint action or functional consolidation indicate a determination to obtain the benefits of larger administrative units or to escape the cost of duplicating services by practical measures. Granted that the gains are partial and piecemeal and that the optimum size administrative unit is not always obtained, the experience is bound to have educational value and to weaken resistance to the principle of consolidation. Granted, too, that the new administrative districts are not now co-extensive, there is a probability that inter-relationships as well as geographic factors will tend to attract the headquarters of two or more agencies to a common center.

Even though the optimum size unit of administration is not the same for all services there will be a tendency to compromise on this point to gain the advantages of a common center. Perhaps the exigencies of housing, office space, mail and telegraph service, and other practical considerations will be an even stronger centripetal force than official affinity. At any rate, those towns which have proved themselves natural centers for trade, banking, publishing, recreation, and other social and economic activities may be expected to become the headquarters for the newer governmental services, such as libraries, hospitals, trade schools, soil conservation, public health, and an ever broader program of public welfare. This will be especially true in the case of services supported in large measure by the federal and state governments.

The courthouses in the stagnating county seats will remain for a time as the political centers and headquarters for the old established services. But as more and more of the affairs of government are transacted at the district center, the lawyers and cafe operators will gravitate to that location, thus deserting the cause for which they have been the loudest champions. Likewise, the younger generation, conducting most of its business at the larger center and observing an increasing share of its taxes going for district services, will find its allegiance to the old county seat weakening.

Functional consolidation therefore offers a device by which weaker counties can gradually shed their functions in very much

the same manner as townships are surrendering their functions to the counties. There is no good reason why the old names and boundaries should not remain, just as townships have survived in North Carolina though they have long ceased to have any governmental functions. They are convenient in locating property, they serve very well as election precincts, and they are recognized as minor civil divisions in taking the census. Occasionally a township has been utilized as a consolidated school district.

Likewise, a county which has been incorporated into a larger unit may well preserve its name, traditions, and cultural institutions. Such county seats as are finally abandoned may and should continue to be community centers, the courthouse possibly being transformed into a community building for social and recreational uses. In fact, it is to be hoped that every local community large enough to have a place of assembly will remain or become a forum for the discussion of public questions. But the typical American county is too big to serve as a primary community and too small to be an effective unit of government under modern conditions.

FEWER SEATS OF GOVERNMENT WILL SURVIVE

Since the coming of the automobile rural people have been changing their trading habits and broadening their social contacts. Strategically located towns and cities have been capturing the trade and support of the people within a twenty- or twenty-five mile radius. Small county seats within this radius are losing business and population. The active growing towns are therefore the points at which the administrative offices of federal and state agencies should be established, and also, if possible, the headquarters of joint county services.

By thus establishing an unofficial seat of government at the focal center of a natural trade area, the way is paved for the emergence later of a strong well balanced county. There will continue to be a need for primary centers every few miles to serve the day-by-day needs of the rural population, but more and more the country people are going to the larger centers for trade, entertainment, and professional services.

By larger centers is meant not the big cities or industrial cities, but mainly towns and cities from 5,000 to 25,000 population that are primarily trade centers. Since these are the points of focus in rural America today they are the logical locations for the seats of government.

If democracy is to be strengthened at the grass roots local government cannot abdicate. These present transfers and consolidations of functions must not be permitted to become a surrender, but rather a step toward the erection of a governmental structure more in conformity with the times.

The Financial Aspects of City-County Consolidation

By L. R. CHUBB
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Citizens' group of Atlanta and Fulton County, Georgia, working for adoption of a city-county charter which would place on all citizens equal responsibility for progress.

ESSENTIALLY, city-county consolidation and separation both involve the selection of an area which includes more or less undeveloped land and establishing for it a single unit of local government to render all local services. American experience seems to justify the following conclusions:

(1) If the area selected includes only the territory already urban, or even if as in St. Louis it includes a margin for growth which later proves insufficient, the problem whose solution is sought simply arises again later on a new frontier, with stronger obstacles and enhanced jealousies to overcome.

(2) If the area selected includes an ample margin for all possible growth, much of it must remain rural pending that growth; and as a practical matter either the rural territory must be relieved of some portion of the taxes charged against urban territory in the area, or else if it pays full taxes the consolidated government must try to give it all the services which other taxpayers receive—an attempt which proves financially difficult or ruinous.

(3) The earlier attempts to resolve this dilemma by the adoption of crude tax differentials—notably in Baltimore and Philadelphia—were strikingly unsuccessful and so inequitable that considerable ingenuity has been expended on constructing arguments against all tax differentials whatever. These arguments usually neglect: the practical difficulty of securing city-county consolidation without some provision for tax differentials; the effect of denying them upon the new government's finances if it attempts to furnish services in advance of development or upon community morale if it does not; and finally the fact that, while services rendered in thinly populated areas cost more per unit of service, the central city itself should bear most of this increment of cost to insure orderly and unburdened development on its periphery rather than tell taxpayers there that the money they think they are paying for services they do not get is in reality to pay this increment.

(4) Much the same difficulties of financing are likely to attend functional consolidation or the coöperative performance of particular functions, except that here, unless special ad hoc tax districts are set up with all the complications they involve, the

shoe tends to pinch the other foot: "joint" support is interpreted to mean support from both county and city, and the taxpayers within the latter not only pay their own share as city taxpayers but largely subsidize development in the peripheral suburbs by paying as county taxpayers a major part of the county's share. The intricacies of these financing arrangements increase the difficulty of securing effective coöperation between two units of government jealous of their independence.

(5) It therefore seems worth while to apply our American ingenuity to the problem of working out if possible a system of tax differentials which will bear a closer relation to actual costs and their fair distribution.

ATLANTA AREA AN EXAMPLE

The remainder of this article will be a concrete description of these problems as exemplified in the Atlanta metropolitan area and of the solution tentatively proposed by the recently organized Citizens One Government League.

Some degree of functional consolidation has already taken place in the Atlanta area.[1] The four city hospitals, to which patients from the county outside the city are admitted, received last year $101,650 from county funds and $729,625 from city funds. The county board of public welfare received last year $375,000 from county funds and $221,820 from city funds, although it seems likely that the county will this year assume the entire cost of relief.

The city water department furnishes water, through mains many of which have been constructed by the county on an approximate special assessment basis, to a number of residents outside the city, charging them double the city rate plus a fifty-cent monthly service charge. The city operates the sewage disposal plants for the whole area but receives from the county one-third of the cost of their operation and maintenance.

Several fire stations have been constructed in the county and their personnel is paid by the county but is subject to the direction and discipline of the city fire chief. The city library has several branches outside the city, partially staffed by WPA, and received last year from county funds $7,650 and from city funds $116,560.

It should be noted that city taxpayers pay five-sixths of county taxes, so that the net participation of taxpayers outside the city in the financing of even these consolidated functions is very small in proportion to the benefits received. The city taxpayer "profits" only from the water surcharge, and this is more than offset by the debit balances on the other transactions. Moreover, a number of important functions remain unconsolidated and are performed by the county only outside the city limits, such as street and

[1]For a full discussion see *The Governments of Atlanta and Fulton County, Georgia,* Consultant Service of the National Municipal League (1938).

highway construction and repair, park construction and maintenance, and police and health protection, yet the city taxpayers still pay five-sixths of the cost.

The most striking example is the school situation: Atlanta maintains its own schools, but the county school system, to which city children are ineligible unless tuition is paid, is financed not only by a tax on the county outside the city but also by a tax of one and a half mills inside the city and an annual contribution of $240,000 from county funds (of which five-sixths comes from the city), with the result that city taxpayers pay more than half the local cost of the county school system.

On the other hand, those living outside the city, where some of the best residential areas are located, find themselves excluded from participation in the city's governmental affairs and perpetually having to beg for and worry about the services they receive; most of them do not desire annexation to the city, but they do desire the privileges of full citizenship in the community and are ready to assume its burdens.

To all this add serious inequalities in assessed values as among the various parts of the county (a recent attempt of the county assessors to attain rough equalization without the use of scientific methods was met by a storm of protests), and the basis for the growing local demand that something be done is readily apparent.

The solution proposed by the Citizens One Government Committee contemplates the consolidation of the city and county governments into a new Atlanta governed by a council of nine nominated and elected at large with an appointive executive. Its boundaries are to be those of Fulton County.[2] However, not all the departments of the new government are to function throughout this territory, and some may function outside this territory. The area within which each department of the new government shall function is to be fixed by ordinance of the new council, subject, of course, to proper restrictions to guard against interference with essential institutions such as the courts and against forcing services on an area which does not want them.

TAXES FOR VALUE RECEIVED

The council is thus left free to extend urban services in accordance with need,[3] but any financially ruinous extension is to be controlled by an inescapable requirement that those receiving these services shall pay in taxes their share of the cost in accord-

[2]That portion of Atlanta which is in De Kalb County is to be given entire freedom either to become an integral part of the new Atlanta or to receive from it at cost any, all, or none of its services, and the eight smaller incorporated places in Fulton County are also to be free to retain their independence if they desire, receiving whatever services they desire from their own governments and the remainder (including, of course, those of the courts) at cost from the new government.

[3]Fulton County has an area of 548 square miles, of which 26 square miles is in Atlanta; latest estimates place the county's population at 415,000 (265,000 in Atlanta and 150,000 outside).

ance with the assessed valuation of their property. The determination of the cost of each service is also to be controlled by rigidly connecting it up with a modern budget procedure. A budget is after all simply a determination of cost made in advance and fixed as a maximum limit on expenditures, and it is to be used as the basis of fixing the tax levy for each department.

The cost of each line department is to include not only its anticipated current expenditures but also debt service on indebtedness incurred for its purposes, and its share (on the basis of the ratio of its anticipated current expenditures to those of all line departments) of anticipated general overhead and staff department expense, less its share (on the same basis) of the income of the new government from all sources except ad valorem taxation.

Transfers of appropriation and the disposition of unexpended balances of appropriation are also to be controlled to guard against unfair manipulation. All ad valorem taxes against the same parcel are of course to be spread and collected together.

Although only very recently proposed, the plan outlined above has already gained considerable support and stands a fair chance of adoption. The One Government League is attempting to induce the legislature to pass an enabling constitutional amendment, to be submitted to the people next June, providing for a local charter commission to work out the details in a charter for submission to the local electorate.

Its adherents point out that this plan would sweep away the present divided responsibility for and overlapping of functions and the present serious inequalities in their financing; would establish instead a system of financing which would be and would remain both fair and flexible; and would emphasize the unity of the Atlanta area and impose upon all its citizens full and equal responsibility for its progress.

State Control of County Finance Increases

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Limitation of debt and tax rates, supervision over budgets and accounting, state-administered, locally shared taxes, grants-in-aid — all take their toll of county independence.

THE American county stands between the state and the smaller political subdivisions in the modern system of state-local relationships. On the one side it acts as an administrative unit of the state; on the other it is absorbing a number of the functions that were more recently in the hands of townships and municipal corporations.

It is at once the administrative agency through which the state decentralizes some of its governmental functions and that unit of local government that stands as a bulwark between local self-governing institutions in the trend towards state centralization.

It is not a true administrative unit of the state because it has constitutional status. Furthermore, its important officers are elected by the people and not appointed by the officers of the state. County officers consider themselves not as state officers and are generally found in the ranks of home rule advocates.

The county is the most important unit of local government, at least outside of the metropolitan areas where large city organizations dominate the governmental scene. It is tragic, therefore, that the structure, organization, and administrative techniques of the great majority of counties in the United States appear to be so hopelessly antiquated today and unable to cope adequately with their modern duties and possibilities. Never has it been more necessary to have a local unit of government with the broad scope of power which the average county has and the large area which it usually covers implemented so as to stabilize the increasing flux found in state-local relationships.

Because the county is outmoded, and not because it is too small a unit of government, many functions once in its hands and rightfully belonging to the county have been taken into the bosom of an active and positive-minded state. For the same reason many of the newer functions have remained with the state with the result that special administrative districts have been formed in real, though not legal, competition with the county.

Again, because the internal arrangements of the county are decentralized and without administrative competence, the smaller units have kept many functions which they cannot handle economically and effectively and which, under more favorable conditions in the county, would have devolved upon it. In a word, the American county is losing many opportunities to preserve

the principle and practice of home rule and local government.

Gradually there has developed a system of state supervision over county functions, and this is greatly in evidence in the field of finance. While discussing state-county fiscal relations, it is well to remember that from the angle of the state such relationships take on a tripartite division, namely, legislative, judicial, and administrative.

One does not need to say here, however, that from the legislative viewpoint the county like other local units is a creature of the state, subject in every particular to the state legislature except where it is inhibited by constitutional provisions, and that the statutes are ultimately interpreted by the courts. Neither do the growing methods of administrative control need to be recounted here. We would like, however, to sketch briefly the subjects embraced in the field of county-state fiscal interactions.

DEBT LIMITATIONS

In the first place, the state has generally limited the financial powers of the county in the conduct of its own affairs. It may be said that these powers were once held by the county without many restrictions. One of these limitations is in incurring debt, the common means being by limiting the debt to a certain percentage of the assessed valuation of taxable property.

Likewise, many states limit county tax rates to a certain number of mills. This limitation has been most keenly felt in those states in which an over-all tax limit has been established. Homestead exemption, also, has severely restricted the taxing power of the counties.

Both debt and tax limitations have been the result of an effort to preserve real estate, that fundamental base of local taxation, from the ravages of unbridled spending and expanding on the part of local units. It is, therefore, somewhat surprising to see recent attempts to unshackle the borrowing powers of local units by means of municipal authorities, special districts, and exemption of revenue-producing public works from the debt limits previously imposed.

Then, too, the county is guided by statutory directions in the imposition of other forms of taxation, license fees, and other revenue-producing activities.

Where the state shares with the county and other local units the proceeds of a general property tax, assessed and collected by the county, it has required equalization of assessments as between counties through the offices of a state equalization board or tax commission. This crude attempt at guiding methods of assessment in the county has been motivated mostly by the fear that counties would pay inequitable proportions of the state's share of the tax.

The famous Indiana plan goes further in limiting the financial power of local units than any

other design in that it allows the state commission the right to pass upon the local tax rates and bond issues. Any case can be brought to the attention of this commission by a petition of ten dissatisfied taxpayers, and the commission then has power to act. A number of states have adopted this plan with modifications and additions.

MANDATORY EXPENDITURES

The power of county officers to expend money for county purposes is severely shackled by statutory provisions. Studies in several states have shown that a large portion of items in the budget are mandatory and are to be expended without discretion on the part of county officers. These items include salaries of officers and employees, payment of mileage, payment of fees and costs, payment of maintenance of county charges for inmates to penal and charitable institutions, and other similar items.

In addition to such that are mandatory in character and amount there are those mandatory in character but optional in amount. At the beginning of the depression, when many irate taxpayers stormed county seats for tax relief, it was very difficult for them to realize that the county commissioners were often powerless to reduce a great share of the expenditures and thereby bring down the millage. It was the county officers, however, who bore the brunt of the taxpayers' attack; the local citizenry did not realize the state legislative responsibility.

A second and allied field of limitation on the part of the state over the county is financial procedure. While the limitations on financial powers of the county were largely statutory in character with the minimum of administrative control, this growing field of control is activated largely by state administrative agencies.

A number of states require counties to draw up budgets at the beginning of the fiscal year for the administration of their financial program. In a number of states administrative departments prescribe the form of these budgets and implement this legislation with a corps of investigators or advisors who travel from county to county to aid county officers in this business. The power of the state over county budgets ranges from advice to control with penalties.

This same procedure applies to accounting, the keeping of records, and reporting. In the field of county assessments of taxable property, boards of equalization or tax commissions have been instructed by law in many states to aid counties in developing more standardized and acceptable methods of assessment procedure. In a few cases state administrative aid has also been extended to the field of centralized purchasing. Gradually the idea is progressing that the state is the logical agency to standardize and improve the financial process and procedure of all local units.

The state and the county fiscally interact also where the county acts for the state as a tax collection agency. During the nineteenth century a large share of state taxes was collected by county officers, who received a fee or commission for their services. This situation still obtains where inheritance taxes, mercantile taxes, personal property taxes, dog, fish, game, and other such license fees are collected by county officers and turned over to the state. Many of these commissions have made the county offices to which they accrued juicy, political plums.

TAX COLLECTIONS

Recently many states, through newly created and centralized departments of revenue or finance, have been made the agencies to collect such taxes by virtue of their claim to efficiency and economy in collection over that of the county officers. In addition to such cases, the county often acts as a base of operation for state-appointed tax collection officers, but it is noteworthy that whenever the state gains the right to collect such taxes, it generally develops its own administrative collection districts and does not operate with the county.

Of increasing importance to county financial programs is the state administered—locally shared tax. The chief sources of such revenue are the gasoline tax, motor license fees, and the sales tax. In addition there is sharing by the states with the local units in some instances of liquor, income, inheritance, public utilities, excise, and a number of other such taxes. The primary reasons for such an arrangement are that the state can more adequately collect these taxes, and the recognition that counties and other local units need a part of such revenue.

Many such returns are earmarked by law to be spent for particular purposes. It is usual that the returns of the gasoline tax are designated for road purposes. Outside of the statutory provisions there is usually little effort on the part of the state to exercise administrative control in the spending of such funds.

Where the return is made in whole to the county with a view that the county will share part of its return with the other local units, a good deal of confusion results in the redistribution. The county is usually not anxious to pass a part of its share down the line. County officers, faced with increased demands for services, are anxious to share as much as possible in such taxes. If there is any merit to the principle that the power of administration should not necessarily reside in the unit which originally collects the tax, then this system is worthy of continuance and expansion. It does encourage local autonomy and home rule.

In Pennsylvania where one-half cent of the gasoline tax is returned to counties and the county commissioners are given power to redistribute this return to townships, cities, and boroughs, the

results have not been very helpful to the smaller units. This, in spite of the fact that the county in Pennsylvania is no longer a road-building agency of any significance. Most county roads have been taken into the state highway system. The counties claim, however, that during the booming twenties they built a great number of hard roads and built up a terrific highway debt. The state took over such highways after they were built, leaving the counties to pay the debt charges, and in most cases the gasoline tax returns are used for debt service. It is often well to realize, when the argument is raised that the state has taken over county highways into the state system, that the debt still remains as a county obligation, and the state is not so much of a good Samaritan as may appear on the surface.

GRANTS-IN-AID

The grant-in-aid is still a more refined way of aiding the county. By grants-in-aid for particular purposes the state not only recognizes its responsibility in the particular function involved but usually makes grants with provisions of control attached thereto. Such grants may be made for the purpose of encouraging the development of a particular line of administration, the provision of better methods of administration, and the standardization of procedure and action throughout the state.

A modern tendency to relieve the county of financial burdens has been the taking over of certain functions, either in part or in whole, by the state. This has especially been noticeable in highways and relief. In most cases the relief offered by such procedure has not always had direct and ready counter-relief to citizens in tax millage, primarily because there are always a number of functions waiting to be undertaken or expanded in all levels of government, and the county is no exception to pressure for added services to its constituency.

In evaluating these tendencies in fiscal relations between county and state, it should be done primarily from the viewpoint of looking for a more stable relationship in this and allied fields of inter-level governmental activity. It would seem that the time has come when we should be able to look for an end of experimentation and a beginning of permanency in this field. County officers are continually crying the blues on the ground that every year sees changes in their powers and procedures, and there is some reason for their inability to settle down to real work because of this condition of affairs.

Furthermore, there do not appear on the horizon any immediate fundamental changes in our economic life that would further confuse the functions of governments. We now know fairly well the requirements of motor vehicular transportation, of relief, of education. It is fairly well settled that the county will not be a fac-

tor in the regulation of economic institutions. What new functions it may develop in the fields of planning, of recreation, and others emanating from the police power of the state, it will be comparatively easy to integrate into its system of administration. Therefore, the order of the day should be toward stability.

It will be impossible, however, to go far in the direction of such a goal as long as the legislature uses hit-and-miss methods in enacting laws relating to the counties and other local units. It is necessary to have in every state a commission to study and to recommend legislation of this nature, and each such commission should have members representing the different local units of government. Such agencies have paid dividends in states where they exist now.

MODERNIZATION NEEDED

The greatest service that the state can do for the counties is to modernize its structure and administrative organization. The long row of elective officers must go. The county commission and the controller should be raised to preëminent positions in the administration of county affairs. It should also be possible to have the voters of each county decide whether or not they would like to have a county manager appointed by the commission and subject to its policy. Once these things were done, there would be a great surge of improvement in technique, and many of the dangers to home rule would be circumvented.

But if the state is to take an increasing share in the control of the county, its control should be largely concerned with procedure rather than with content of activity. Even in this field most of the state administrations need a good deal of polishing and modernizing themselves before they deserve these powers. At present, it is mostly the game of the pot calling the kettle black. If the county needs improved financial and personnel methods, so does the state. If county officers appear unable to make much headway in planning, state officers have the same difficulties, only on a larger scale.

As far as state aid is concerned, there is nothing inherently wrong in the system of state administered—locally shared taxes as long as the legislative foundation is based upon the logic of need and interest of the different levels of government. The state's responsibility should end when it is certain that the money is spent for the purposes for which it is intended. The grant-in-aid, while a more effective weapon for an active state, has inherent elements that can lead to a continuation of the confusion now reigning. It must continually be remembered that responsibility for carrying out the dictates of legislation does not necessarily lie more effectually in the state than in the local units.

National Land-Use Programs and the Local Governments

By LEON WOLCOTT
Committee on Public Administration
Social Science Research Council

Opportunities for strengthening of local governments in rural areas seen in regulation of land use by federal government.

THROUGHOUT the course of our history, problems incident to the area of national-state relations have dominated our political life and have commanded the attention of students of government; but it is only in recent years that national-local relations have developed into an area for special consideration. National-state relations stem from forces older than the constitution by which they are protected; national-local relations emerge nearly 150 years later and from roots as deep, though under less formal auspices. Land utilization is an aspect, if not the heart, of this development.

Until very recent years the land policies of the United States were limited to public lands and were based upon the assumption that the quickest way to assure the best use of the public domain was to transfer it to private ownership. These policies were also nourished by the prevailing concepts of fee-simple absolute in property and laissez faire in government. They continued to thrive so long as the deep natural forces and the new economic forces with which they were at odds could be ignored.

Far-sighted thinkers have long warned of these forces, but only when face to face with the dire consequences of failing to heed them could any extensive revision in thinking and action be effected. Major John Powell in his report on the arid lands, submitted to Congress in 1879, declared the need for drastic revisions in our homestead laws for the low rainfall area of the southwest and included suggested legislation, the adoption of which at that time would have so altered the use of that land as to obviate the necessity for many of the present governmental programs there.

He recommended a special pattern of land use with homesteads of 2,560 acres instead of the 160 acres authorized by law. While 160-acre homesteads were adequate for the moist Mississippi valley, the area the law was drawn to fit, they caused hardship to people and land in the arid regions. It was not until 1904, however, that the Kinkaid Act permitted homesteads of 640 acres, and then only in the sand hills of Nebraska; and not until 1909 that 320-acre homesteads became the rule for any large area.

In 1893 Frederick Jackson Turner called attention to the significance of our closed frontier in the life of the nation. He indicated the need for adjustments in

our economic and political life as the reality of this closed frontier was felt by an increasing population. Franklyn Hiram King, C. T. Chamberlin, and Charles R. Van Hise are among others who realized the need for adjustments in land utilization.

CONSERVATION LIMITED

The first real assault upon the outmoded land policies was the conservation movement, which gathered strength in the nineties and reached a peak at the Conference of Governors of 1908. Both the strength and the weakness of this movement resulted from its limitation to public lands. Conservation was conceived to be a function exclusively to be performed by government on the property already in its possession or which might in the future be purchased by it.

Conservation of soil and water resources on private lands could be effected, it was believed, through education. If the farmer could be given methods of conservation which would net him increased, though deferred, returns, he would certainly accept them. Indeed, Van Hise, in 1910, thought it futile to attempt public regulation of private lands until the farmer could be controlled, in part at least, by public sentiment. "Knowledge," he said, "must be carried out to him before such control can become effective. With knowledge will come a sense of responsibility. Whenever knowledge and public opinion have sufficiently developed, laws may be enacted to restrain the reckless and lazy."[1]

Resistance to change was so stubborn that had the conservation movement pointed to regulation of private lands it may be doubted that it would have succeeded at all. Private interests were then powerful enough materially to hamper conservation programs, even on public lands. The Public Lands Commission, for example, reported in 1904[2] on the overgrazed and serious condition of the range resulting from its uncontrolled use. The prevailing situation, however, was favorable to politically powerful cattle interests and, due in part at least to their pressure, no action was taken.

The conservation movement, then, confined itself primarily to nonagricultural lands and encouraged public ownership as the remedy for misuse. And yet this program was the outstanding development in the land policy of the United States until 1933.

Perhaps the most important contribution of the conservation movement was the establishment of a national consciousness of, and interest in, natural resources problems. It inspired at separate sources various streams of interest in the problems of a national land policy and helped prepare the soil for the vast new programs of recent years.

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[1]Charles R. Van Hise, *The Conservation of Natural Resources in the United States*, p. 354.

[2]*Soils and Men*, Yearbook of Agriculture (1938), p. 114.

Now, the national land policy of today represents a confluence of many of those streams. All have not yet joined, but their unification proceeds apace. Forces more powerful than transitory interests or concepts dictated this event and, of greatest importance, focused it upon the private agricultural lands of the nation.

Forces of early origin finally appeared in unmistakable terms. Meteorological records, crop failures, and dust storms demonstrated that the Great Plains is an area with an average rainfall below twenty inches and that the year optimistically referred to as one of normal rainfall is the exception rather than the rule. The gradual but steady increase in farm tenancy demonstrated the reality of the closed frontier and challenged the notion of unlimited opportunities. The piling up of vast surpluses revealed the fallacy of a perpetually favorable trade balance and gave a glimpse of the declining rate in the increase of our population.

These forces were older than, but given dramatic impetus by, the adjustments during and after the World War. Gradually there spread the realization that classical concepts of private property were of doubtful validity; that value was affected by international markets, price systems, and conflicts against which the individual was helpless. The farmer had lost control of his farm and he, the land, and the general welfare suffered. And there on the farm, in order to restore or supplement this lost control, while at the same time protecting the interest of the general welfare, the new land-use programs of the national government converged and intermeshed.

FEDERAL-LOCAL RELATIONS

What we have, then, is a series of programs with lines of action running from the national government to the farms and farmers of the nation. These lines in many instances are direct. That is, they devolve through agencies of the national government — regional, state, and local — right to the individual farmer. They do not cut off at state levels to be promulgated further from there. These are the programs which give prominence to national-local, as distinguished from national-state, relations.

It isn't that the states have been ignored in the administration of these programs; indeed, they are invariably requested to participate in policy, research, planning, and action. What is new is that the Congress has placed the responsibility for each activity in a national department or independent establishment and has not authorized the delegation of that responsibility.

As these programs reach the individual, they very materially affect the use or manner of use to which he puts his farm. He is not, of course, coerced into complying with national regulations, but he can find ample reason for participation. Under the AAA program, for example, an acreage

allotment of soil-depleting crops is set for every farm in the country. Compliance with such allotment is the basis for benefit payments and other advantages which definitely encourage conformance.

Under the same program payments are made on the basis of soil-building practices adopted by the farmer to achieve a goal set for his farm. Some of these farmers have entered into agreements with the Soil Conservation Service where, in order to organize soil conservation demonstration areas, the service has offered material advantages in return for labor, materials, and revised farming practices. Similar agreements have been or may be consummated between the Soil Conservation Service or other national agencies and soil conservation districts.

Title III of the Bankhead-Jones Act of 1937 authorizes the purchase by the national government of submarginal lands in order to insure better land use in depressed areas. Control over other millions of acres has been or may be acquired through purchase and easements by the Forest Service, the National Park Service, the Indian Service, and the Bureau of Biological Survey.

The administration of public lands has been extended or redirected so as to bring within a sphere of influence, if not control, the private lands adjacent to, and dependent upon, the public lands. One of the rules for the administration of the Taylor Grazing Act, for example, states that "grazing districts will be administered for the conservation of the public domain and as far as compatible therewith to promote the proper use of the privately controlled lands and waters dependent upon it."[3] The Forest Service has prosecuted a comparable policy for many years and is becoming increasingly vigorous.

CONTROL OVER PRIVATE LANDS

Two recent programs directed toward the use and flow of water authorize action on private lands. The Pope-Jones Water Facilities Act provides for direct aid to individual farmers and ranchers in the development of facilities for water on private lands. The flood-control program, in order to protect the investments in engineering flood-control structures, includes measures directed to the control of flood flows and the stabilization of soils upstream. Then there are the efforts to improve the status of the "lower third" of the farm population through rural rehabilitation, resettlement projects, and aiding farm tenants to become farm owners, all of which give guidance or direction to private land use.

But these are not all. The authorized shelterbelt and farm-forestry programs also directly influence private land use, while rural electrification, farm credit, reconstruction finance, reclamation, and public roads have material, though indirect, effects

[3] *The Federal Range Code*, section 1, par. *a*.

upon farms and whole rural areas.

The very number and extent of these programs, reaching across state and local boundaries to the individual farm, indicate the importance of national-local relations in the field of land use. The devices, apart from the individual agreements already mentioned, especially developed for the local administration of these programs give greater emphasis to the subject.

One of the most unique and important developments in modern society is to be found in the efforts to democratize the administration of these vast action programs. The activities of the Agricultural Adjustment Administration, for example, are being administered largely through community and county committees of farmers who have been elected by farmers. These committees have the power to allocate acreage allotments, to determine soil-building goals for the farms, and to participate in the formulation and direction of many other activities. Appeals from these committee determinations are to be taken to special review committees, again composed of farmers, though appointed by the Secretary of Agriculture rather than elected.

COUNTY COMMITTEES

Tenant purchase committees, rural rehabilitation committees, and debt adjustment committees also appear on the county level for participation in those respective programs. Under the Taylor Grazing Act we find district advisory boards again composed of and elected by the members of local interest groups. Other ancillary programs become operative only after a favorable vote by the members of particular commodity groups, while some devolve to specially organized coöperatives.

Not only do these techniques permit the individual real opportunities to make himself heard where his interests are affected, but he is asked to share administrative responsibilities. Naturally he becomes more closely attached to the national government.

Other programs have created or stimulated the creation of new geographic entities. Resettlement projects have produced whole communities to be administered by the national government or to become incorporated as new governmental units. The land-utilization program has encouraged—where state law permits—the organization of grazing districts. Coöperative associations have been organized for activities such as wind erosion control. The Soil Conservation Service has stimulated the adoption of permissive state legislation and then the organization of soil conservation districts.

Thus we have seen the emergence of programs affecting the use of private lands. We have seen the appearance of administrative lines running from the national government direct to local people. We have also witnessed the development of real efforts to democratize the administration of

programs affecting the economic interests of individual and community. Now, what does all of this hold for local government?

There is much that might concern us here in terms of particular problems. Reduced revenue as a result of shrunken tax rolls and increased costs as a result of newly created governmental units bear study and analysis. Serious consideration must be given to the relation of land use to closely related aspects, such as relief, roads, schools, and parks.

PROGRAMS HELP RESTORE LOCAL CONTROL

The real question, it seems to me, is one of vision. Those who object to the new land-use programs because they dislike what they cost will express themselves with epithets such as regimentation, dictatorship, the sanctity of private property, and a whole host of others, hiding their true purpose behind a quickly assembled defense of local governments. Those who see that what we have is a real effort to restore to the individual some, at least, of that control over his economic destiny which he once had will recognize that these new national-local relations offer a genuine opportunity to strengthen local governments.

In other words, we may well ask ourselves whether national-local relations will constitute an area of collaboration or conflict. Our federal system, as Professor John Gaus recently pointed out, has been conceived by many "as a sort of glorified sectional and partisan prize fight."[4] If that same concept is to dominate these new relations, then we shall have missed the opportunity to make a genuine contribution to democracy. Land-use programs cannot be successfully administered by any single level of government. Without collaboration, therefore, they must fall short of their mark.

Now, collaboration is possible only if the different levels of government can make real contributions to the programs. That means that each must assume and meet the responsibilities which flow to it from the areas, geographic and otherwise, over which it has proper jurisdiction. Where one fails, another must assume the burden.

In recent years we have witnessed a rapid assumption of responsibilities by the national government. This has been dictated by powerful forces. National and international trade and conflict have, like a vacuum, sucked from the individual control of his economic life. Our national government has responded as intervener and arbiter. At the same time, however, we have also seen that, particularly in the field of land use, the national government itself has fostered local participation in its programs.

The assumption by the national government of so much responsibility in the field of land use really gives local governments an opportunity to strengthen their position.

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[4]Address given at meeting of Association of Land Grant Colleges and Universities, Chicago, November 14, 1938.

The problems related to land use have been too vast and complex to be completely solved locally, and the existence of the problems has hampered effective administration of equally important, though less cumbersome, programs. National participation releases and points up local effort.

Legal restrictions as well as rational ideologies have limited action by the national government. At these limits the responsibilities and opportunities of local governments have come into sharper focus. The importance, for example, of realty taxation, zoning, and local services in a complete land-use program has become obvious, and not only are local governments in a better position, but they are now better equipped to administer in these areas. There will be material advances if collaboration develops in the fields already opened up by the national government, but there is much more that is possible, much more to be hoped for.

NEW TECHNIQUES DEVELOPED

At the present time a very important new technique for the furtherance of national-local collaboration is being developed. As new programs and administrative lines reached the farmer and the farm it became apparent that some steps would need be taken in order that they would add up to a positive whole and not cancel each other out. The various land-use programs have been authorized by a whole series of congressional enactments which, upon reaching the soil, reveal inter-relationships not only with each other, but with the whole gamut of farm programs, new and old.

It became obvious, too, that collaboration with existing state and local institutions was essential. Until 1933 farm programs extended out through state extension services, experiment stations, and land-grant colleges and canalized to the farmer through the county agent. While the responsibility for the new programs has been vested in the national government, coöperation from these and other state and local institutions was necessary for ultimate success.

Both the Department of Agriculture, which has the responsibility for many of the new action programs, and the land-grant colleges have been aware of the need for integration and collaboration, and have worked toward a solution. Out of a joint meeting in July 1938,[5] there came an agreement calling, among other things, for the creation of agricultural land-use planning committees in every farm county in the nation.

This does not mean that farmer planning committees are new. For a quarter of a century planning by farmers has helped guide the local activities of the Extension Service. The new committees, however, include administrative officials as well as farmers.

[5]Joint Statement by the Association of Land Grant Colleges and Universities and the United States Department of Agriculture on Building Agricultural Land Use Programs, July 8, 1938.

The chairman and majority of members will be farmers but, in addition to the county agent, local officials of national programs will be included. Not only does this technique encourage national-local collaboration, but it provides a pattern within which land-use activities may be integrated.

The effect of these committees will be to shift increased responsibility for planning to local people. Participating technicians will render aid in order to assure the uniformity which will permit all local plans to fit into and influence those of the state and nation. At the same time flexibility in the administration of national programs will permit local officials to harmonize them with the county plans. Planning will thus proceed with action. The individual, through his community, will be given the opportunity to influence the formulation of policies affecting important phases of his economic life.

LOCAL GOVERNMENT OPPORTUNITIES

This is a fine start and serves to accent what remains to be done locally. Local governments will perform their greatest role as they reflect the real needs and possibilities of the communities they represent. Citizens and officials alike must see that the meaning of their community grows out of its ecological setting. They must understand the historical adjustments that have influenced their growth, the nature of present relations to local, state, regional, and national economics, and the balance sheet of resources, population trends, incomes, employment, institutions, and services.

They must appraise the ratio of resources to population and the distribution of those resources among the population. They should study the material and cultural contributions they can make to others and their own needs supplied from afar. Then, on the basis of this knowledge and understanding, the local governments may develop programs of action that will efficiently and effectively raise the life of the communities to increasingly higher levels.

Basic research and long-term plans necessary to do this important job may be supplied to local governments by the new agricultural land-use planning committees. In addition to the functions already assigned to them they may profitably be encouraged to address themselves to the whole pattern of local life. They might serve as general-staff agencies for local governments, supplying information and plans to guide the preparation of budgets.

In this broader capacity they should serve as links to all national and all state programs bearing upon local communities. They should work closely with the state planning boards, commissioners of agriculture, and departments of conservation, roads, parks, education, taxation, and state universities, fitting the available resources of these and the national government into well formulated local

plans. As local people, equipped with basic knowledge of the areas they represent, they will be in a position to appraise the programs which reach them and, indeed, to guide the formulation of those programs.

At the local level, more than at the national level, carefully conceived, planned, and integrated action is essential if all governmental programs are to attain maximum effectiveness. The new agricultural planning committees may serve this end.

In order to do this there must be a lot of clear thinking and hard work. Political scientists and other students of government are particularly well fitted to give guidance and aid. Not only should they become familiar with the new and important governmental device which these planning committees represent, but they should contribute through teaching, writing, and actual participation to the furtherance of these groups as general-staff agencies for complete local planning.

The study of government embraces all those factors in the ecological setting of community and regional life which give expression to local governments. Students and teachers of government, by addressing themselves to the ecological problems of the region within which they are located, cannot only make real contributions to local governments but can bring their subject into sharper focus on the realities of the problems with which governments must deal.

It will be quickly seen that the forces and problems of a single area will guide the understanding of other areas and of the programs which have been directed on a national scale.

Some of the controls over economic life which were transferred to national and international markets have been restored to individuals and local governments. It will be valuable to protect these gains. But there are other controls yet to be restored and still others which may yet be taken away. Let us hope that local governments will take the initiative in restoring and protecting these, but above all let us hope that students of government, by exploring the essentially regional problems, will point the way and assist in their solution through purely local efforts.

The national government, through its earlier land policies, gave birth to many local governments. Now, through revitalized programs, it can help restore much of what local governments have lost. Here is a real opportunity.

The Patient Lived

Manager plan successfully operates on vestigial county organs, grafts on executive head; Monroe County, New York, an example.

By MIRIAM ROHER
National Municipal League

LIKE an octopus or a centipede, the county is a governmental unit which has to be seen to be believed. Hence a peep-show at one of them may be in order, to illustrate why six counties in the United States have adopted the manager plan, and why several others are trying modified manager and county executive forms.

One day in 1937 an Irish lady burst into the office of Clarence Smith, manager of Monroe County, New York. She marched through the anteroom like a gathering storm and when she reached the desk her plump cheeks were almost apoplectically crimson.

"Young man," she roared, "I've a complaint to make, and it's yourself is goin' to listen to it. Ye've ruined us!" And she thrust her tax bill in his face.

Gray-haired Manager Smith was polite but firm. "Sit down," he said, and she sat, breathing hard.

"Madam," said the county manager, "It's either your budget or the county's. The county never had a budget before—that's why taxes are high now. Thank the Lord for your own budget, so you *can* manage to pay your taxes."

Ten minutes later, the lady rose to go. "Young man," she said forthrightly, "I came here to give you Hell. I guess as long as I'm here, I'll pay my taxes. Do I pay the same place as last year?"

When again she crossed the anteroom she might have been a summer breeze.

This little fable contains within it a clue to some of the experiences of those American counties which have turned from the palliative aspirin of politics to the curative amputation of a new form of government. Monroe is but one of the latest of the ten-odd counties which have elected to pull together their junketing, thriftless, expensive, ramshackle, outmoded governments (all the adjectives apply) to try the experiment of organization and system which is the manager or executive plan.

Strictly speaking, the manager plan is that form of government in which a small elected council, having complete power of policy formation, chooses a trained manager who has full administrative powers and power to appoint his subordinates. In 474 cities the plan in its pure form has worked well. In these ten or more counties the plan has been more or less diluted, in a bow to the traditional, for counties are commonly weighted down with a plethora of elected semi-independent administrators. Nevertheless, it has still worked amazingly well, so well, in fact, it seems inevitable that eventually the majority of counties in the United States will find it necessary to adopt some variation of the unified executive form.

Six counties are recognized by the International City Managers' Association as having the closest approach to the pure manager form. They are Monroe County, New York; Durham County, North Carolina; Arlington, Henrico, and Albemarle Counties, Virginia;[1] and Sacramento County, California. In Albemarle, however, the manager recommends but the board makes the appointments to office, while in Durham and the others there are some elected administrative officers and the legislative body has some administrative powers.

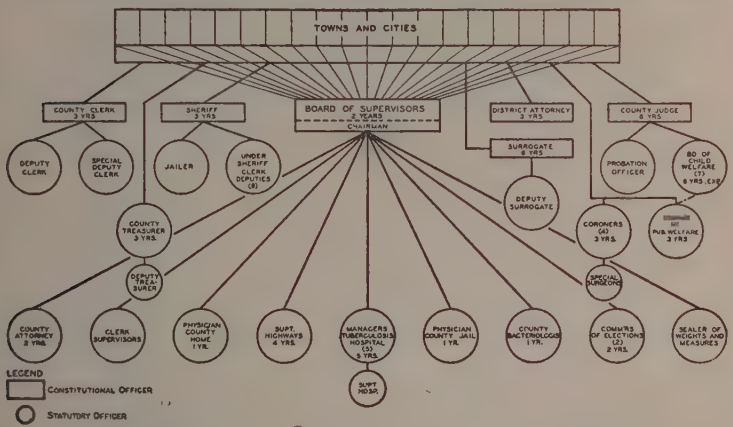
In North Carolina[2] ten counties have been listed, at some time or other, as manager counties, and at the present time six of these designate an official as manager. Others in the state have given county accountants the primary tools of management. Here the accountant may remain as a bookkeeper if he chooses, but through the exertion of pressure and other methods, he may become a virtual executive. The choice is largely his.

Los Angeles County in California[3] is perhaps the most important county which has lately espoused a form similar to that in use in North Carolina.

In other states there has been a trend of late toward the elective county executive form. This corresponds roughly to the strong mayor form of city government and is a considerable step forward from the headless state of most traditionally constituted counties. Latest recruits to this form are

Typical County Government — New York State

There is considerable variation in the details of county organization in New York State but this chart gives the typical features common to all counties.



New York State Constitutional Convention Committee (Reports, Vol. IV, 1938)

[1] See also NATIONAL MUNICIPAL REVIEW, November 1937, pages 531-537, and March 1938, pages 148-152.

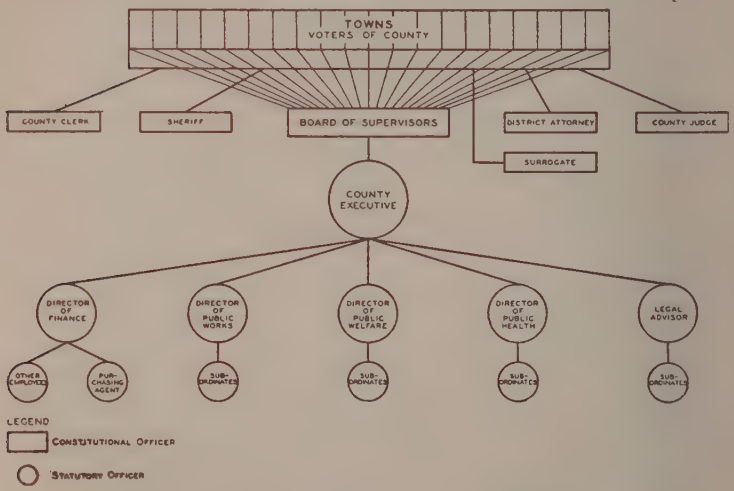
[2] See also NATIONAL MUNICIPAL REVIEW, for November 1937, pages 521-523.

[3] See also page 128, this issue.

Nassau[4] and Westchester[5] Counties in New York, the latter the richest county in the country, both of them among the most populous in the nation. San Mateo County in California, which until January 1st of this year made the seventh of the official manager form counties, has taken a backward step and will henceforth operate with an elected executive.[6]

county government, have found themselves obliged to pay for the sins of omission and commission of their predecessors. Although no county is ever a typical case, Monroe County is the latest of the six adherents to the purer manager form and its experiences may well shed light on what happens when governmental attics are cleaned out at last.

County Manager Government as Adopted in Monroe County, New York



New York State Constitutional Convention Committee (Reports, Vol. IV, 1938)

The connection of all these with the irate lady in Monroe County is not as remote as it seems. For almost invariably county managers and county executives, taking over the neglected reins of

Monroe County is a governmental unit securely rooted in time. Its seeds are English, prerevolution, and its own particular birth came around the time of the War of 1812. Like the other sixty-one counties in New York State, it was established as a geographical-political unit, a governmental subdivision designed to carry out state functions by the agency of

[4]See NATIONAL MUNICIPAL REVIEW, February 1937, page 82.

[5]See NATIONAL MUNICIPAL REVIEW, December 1937, page 603; January 1939, page 62.

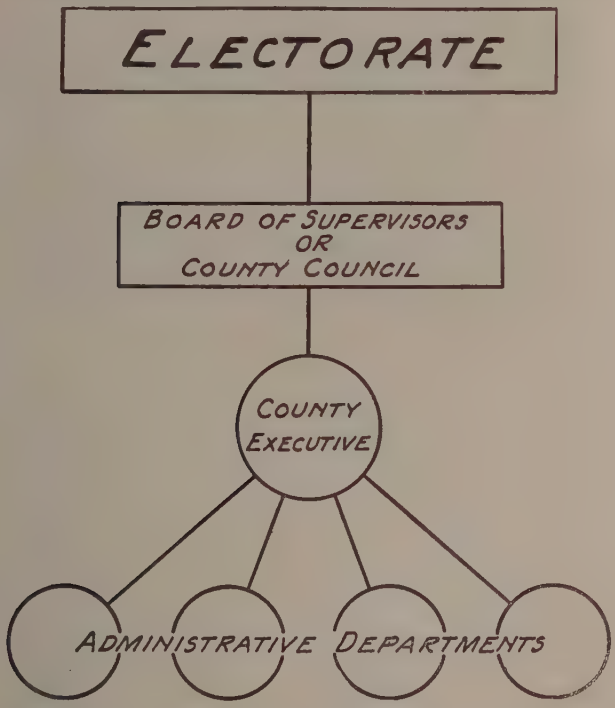
[6]See also page 128, this issue.

locally-elected officers. As handmaiden of the state, its officers were defined in the state constitution and much of its makeup described therein. When established, Monroe County was a large rural area in upstate New York.

proper by every other token. The rest of the county was still rural, dotted only with several small rural communities.

The requirements of the state constitution and the dead weight of tradition made elective a sher-

County Manager Government in Its Best Form



New York State Constitutional Convention Committee (Reports, Vol. IV, 1938)

In 1935 the area of Monroe County was substantially the same as in 1825. So was the structure of its government. But times had changed. A mammoth, modern city of almost 350,000 had grown up within it. Around the legal limits of this city of Rochester were satellite communities, towns in legal fact but parts of the city

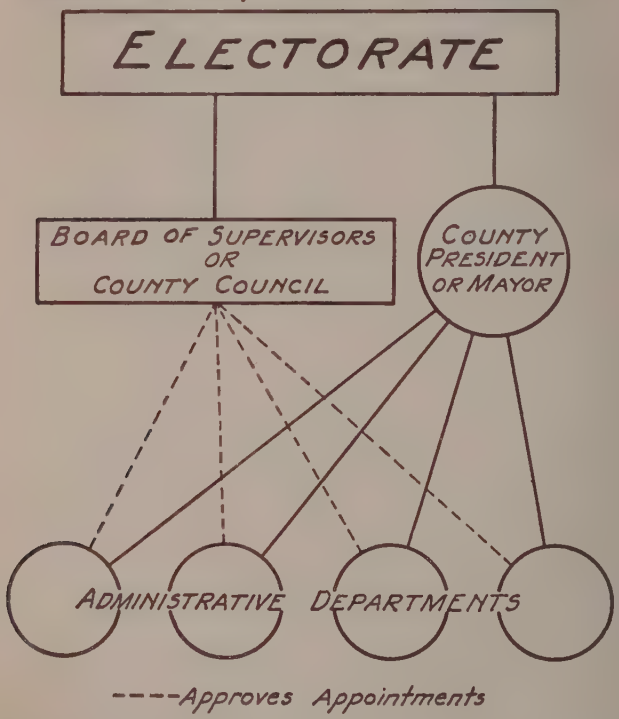
iff, a county treasurer, surrogate, county judge, constables, coroners, purchasing agent, clerk, and forty-three supervisors, the latter acting as legislative organ. It was an assemblage of petty emperors, most of them bound down with political obligations and slowed up by ignorance of the duties of office. The only controls

rested with the voters, who could not exercise them because of the utter confusion of the situation.

In function the county was hardly less confused. It was delinquent tax collector for city, town, and county governments, but relied on the separate towns and the city of Rochester for assessments and collection of the taxes that were not too hard to get. It maintained a number of parks, side by side with city parks. It supervised some relief, side by side with city relief agencies and town relief agencies. It maintained and built some highways, side by side with city and town highway units. It had a few health functions, a few educational functions. It maintained certain correctional and welfare institutions. It was the framework for a system of courts. It had some police functions, side by side with town and city police. It acted as agent for the state in recording deeds and supervising state elections.

The need for, or adequacy of, these services was a matter on which there was little agreement. Certain it was, however, that the profusion of independent bureaus

Elective County Executive Government



New York State Constitutional Convention Committee (Reports, Vol. IV, 1938)

and offices which existed to carry on whatever was done was wasteful, uncoördinated, and uncontrollable — no executive head; no control of spending; the piling up of debt and the piling on of taxes, all to dubious ends. Whatever the need for the county and its functions, it was clear to intelligent observers that until the voters achieved some sort of control over the county and its spending of their money, it was useless to theorize on change. Control over the mechanism as it stood was necessary before it was possible to alter it.

The county manager form promised that control.

The first thing which happened when the people of Monroe County took advantage of Plan B of the optional forms of government offered counties by a 1935 New York State statute was that a number of elective administrative offices were automatically sloughed away—not all. Constitutional exigencies seldom make it possible, in any state, to get rid of all elected county administrators. District attorney, sheriff, surrogate, clerk, and judge are still on the Monroe ballot, and in matters of internal policy this regrettably dilutes the manager's power.

But as long as the manager can tell each officer how much he may spend, the administration cannot get seriously out of control. County employees who remember the good old days of free and easy spending of the public money speak of the new order of things with a kind of amazed wonder. A secretary spoke of having to plan even for the buying of a typewriter ribbon, and exclaimed piously that now "people have the fear of the lord in them!"

By the lord she undoubtedly meant Manager Smith, who stepped up from his previous job of clerk of the Board of Supervisors and county auditor to become the first in the history of Monroe County to have his hands on all the county reins. The state law under which the county operates gave the Board of Supervisors power to appoint a qualified county manager for a term of four years, removable only on written charges and hearing before the board, for stated reasons dealing with unfitness.

MANAGER HOLDS PURSE STRINGS

The manager has the chief administrative power in the county, but his most important weapon is his control over spending. Once a budget is voted by the Board of Supervisors, the manager has power to enforce it.

This is in direct contrast to the old days when the disunited governmental family of Monroe County had been spending at will, each member without reference to the other, and borrowing when the ready cash ran out. Then, when the interest charges grew too burdensome, they borrowed some more to pay those, and so on for many years.

When Manager Smith took over he found that this extravagant family had poor relations as well. In the fabulous boom days, smart

subdividers of real estate had bought up for a song vacant farm land in the rural towns within the county. With the encouragement of town officials, who were legally entitled to a fee on special improvement projects, they set up special improvement districts to make these habitable city blocks. Then they sold tidy lots to small people who did not realize that mountains of special assessments would shortly rise on even the most prairie-like holdings. Came the crash, the subdividers absconded with the proceeds of the sale of lots, the new owners found it impossible to pay the taxes for sidewalks, sewers, etc.—and the town found itself with huge blocks of abandoned non-taxpaying properties on its assessment rolls.

But there was still the debt to be paid on the special improvements, and by state law and the so-called Amherst case, the county was responsible! Result: the whole county paid. And the city of Rochester, by virtue of its superior numbers and wealth, shouldered 81 per cent of a debt it had not contracted.

(The incident is not unique. State constitutions and courts commonly make the county the financial goat for the indiscretions of other governmental units.)

ON A CASH BASIS

The county manager regime applied strong medicines to its financial troubles. First was the enforced budgeting described above. Second was a rigorous cash basis policy which has sent the tax rate rocketing. But the manager has estimated that Monroe taxes should start downward by 1941, five years after the heroic cash basis was first instituted. When the time is up, taxpayers will find that they have paid a little more today that they may pay a good deal less tomorrow.

A third financial achievement was the solution of the knotty problem of the debt of the 450 special improvement districts. A bipartisan committee was set up to foreclose these vacant lots in blocks, sell them at bargain prices to individual purchasers, and collect at least something on properties heretofore good for nothing but trouble. Simplified legal procedures not only cut the cost of foreclosure but made these properties actually desirable to buyers, who had heretofore shied away from the prospect of red tape and dubious titles.

By the middle of 1938, after a scant year of operation, the new foreclosure committee had sold 500 of the 28,000 vacant lots, at an average foreclosure cost to the county of only $20, clear title and all. The county collected $32,000 in cash, while the new owners assumed $75,000 worth of indebtedness, promised to build to the extent of at least $817,000, and there was an expectation of a minimum of $19,000 in new taxes.

Not only was there a scaling down of the county debt by this process but the heretofore abandoned property was returned to economic usefulness.

A final, though by no means unimportant, financial achievement under manager auspices has

been the budgeting of expected tax delinquencies. No more can spending be planned on the expectation of full coffers, when only partly filled coffers will be available. In 1937 a $1,500,000 item balanced the county budget; in 1938, only $1,300,000.

The county manager plan has not brought complete satisfaction to the political idealists of Rochester and Monroe County. The critics concede the advantages of the new system over the old, praise financial and organizational achievements, and bound off again after the ball of controversy. The county, they cry, is just another government in a wilderness of governments, doing pieces of jobs, taking the leavings, industriously budgeting the rag-tag and bob-tail of governmental function. Why bother?

CITY VS. RURAL DISTRICTS

Not quite so sweeping an indictment, but a bitterer one, comes from the taxpayers of the city of Rochester, who accuse the far less populous rural areas of dominating county government in their own interests. Their complaint has at least partial justification for, with a population ratio of 95,000 to 328,000 respectively, the nineteen towns get nineteen representatives on the Board of Supervisors, while the twenty-four city wards get twenty-four representatives. The towns are also overrepresented intellectually. City folk, seeing the county as an unreal entity associated not with their paved streets but with "cornfields out in the country," mechanically elect machine politicians to represent them. But the townsfolk, whose representatives on the board act also as mayors at home, conceive of the county as a rich uncle who pays the bills and they elect shrewd farmers and property owners who rule the forty-three-member board.

Neither of these criticisms is really a criticism of the manager plan, but rather a request for more of the same. Proportional representation, as yet adopted by no American county although it exists in seven American cities, six of them manager plan cities, could be the answer to Rochester's underrepresentation. It will be remembered that pure manager theory stipulates that the manager plan works best in company with proportional representation.

As for the half-job that the county is given to do, that can hardly be blamed on the manager plan but on time, tradition, and human cussedness. The reason that people in Monroe County are unwilling to do away with unnecessary layers of government is the same reason that so comparatively few counties in the United States have turned to the manager and executive forms. "What was good enough for grandpap is good enough for me," is an age-old stumbling block in the way of change. Fortunately for progress, eventually they do get tired of dragging a bucket to the well. Since the manufacturers of modern kitchen sinks have prospered, there is every reason to hope for the success of rational county governmental reform.

County Manager Government in California

Sacramento and San Mateo Counties tread widely divergent paths in their experiences with home rule manager charters.

By ROBERT C. HOUSTON

Los Angeles County Department of Budget and Research

CALIFORNIA reports a success, a promising new experiment, and a failure in county manager government. Sacramento and San Mateo Counties both came under the manager plan in 1933, while Los Angeles County during the past year entered upon a modified plan. There is agitation for the adoption of manager charters in Ventura, San Diego, Butte, and Siskiyou Counties.

Sacramento County went through a peaceful period of transition under its county executive, Charles W. Deterding, Jr. He had been the former county surveyor, and enjoyed a fine reputation as an efficient administrator. That government is now operating smoothly under his administration, and should be recognized as a complete success.

The Los Angeles County Board of Supervisors has recently taken a significant step forward in providing for a chief administrative officer. This provision was originally recommended in the 1935 report of the Committee on Governmental Simplification. It was initiated by ordinance, rather than charter amendment, in order to gain experience, in terms of which future charter provisions may be written.

The creating ordinance established the following duties of the chief administrative officer:

1. To exercise administrative supervision and control over all departments, services, institutions, and districts of the county, to coördinate their operations, and to administer, enforce, and carry out the policies, rules, regulations, and ordinances of the Board of Supervisors relating to the administration of county affairs;
2. To analyze and make recommendations in connection with departmental budgets;
3. To supervise all expenditures and purchases of the county government;
4. To coördinate the administration of all county services, through his power to transfer personnel, equipment, and machinery, between departments;
5. To approve all purchase orders of $1.000 or more and to approve all contracts for supplies, services, and equipment before presentation to the Board of Supervisors;
6. To recommend to the board the creation or abolition of any positions in the county service.

Directly under the supervision of the chief administrative officer are placed all departments except the Civil Service Commission and the elective offices of the sheriff, district attorney, and assessor.

The Board of Supervisors appointed as chief administrative officer Colonel Wayne Allen, who for two years had been county purchasing agent. He took over his new office on September 8th, 1938, and now holds both the position of chief administrative officer and purchasing agent, with a combined annual salary of $10,000.

The new chief administrative officer has drawn about him a personal staff of three technicians, and uses the Department of Budget and Research as a staff agency. The research studies of the latter department are used as a basis upon which to make administrative decisions.

In a comparatively short while Colonel Allen has established himself as a capable, hard-hitting executive. His remarkable record as purchasing agent gained for him the confidence of the Board of Supervisors, and he has carried over and cemented this confidence in his new rôle. His past record and more recent accomplishments lend optimism to the future of manager government in Los Angeles County.

SAN MATEO'S EXPERIENCE

Sacramento and San Mateo Counties set up practically the same administrative organizations in their charters. The extent and manner in which the human equation has entered into San Mateo County's experience with the manager plan, however, lends its history special significance. The theoretical concepts upon which the manager philosophy is established have all come into play. In order that the reader may appreciate the significance which is drawn from the facts in this story, it should be repeated in detail.

The county charter, which went into effect on July 1, 1933, provided for a strongly centralized county executive, with appointive and administrative power over nine offices, five of which had formerly been elective. The administrative organization established by the charter followed the essentials of the plan proposed by the Committee on County Government of the National Municipal League. A member of that committee, Professor Edwin A. Cottrell of Stanford University, was instrumental in having the plan adopted by the Board of Freeholders.

Unfortunately, the politicians into whose hands the charter government was placed for administration did not share the ideals with which the freeholders were imbued. Under the guidance of these officers, the new government went through a period of transition that was characterized by turmoil and litigation.

The charter provided that the county executive should be chosen from a list of applicants certified by a qualification board. On May 27, 1933, that board was ruled unconstitutional by the State Supreme Court. Two days later (thirty-two days before the charter was to go into effect), the Board of Supervisors appointed Walter T. Kellogg, a former district manager for the Pacific Gas and Electric Company, as the first county executive. The circumstances of this appointment were not in keeping with the ideals which had motivated the charter movement, and put the government definitely off on the wrong foot.

Soon after the new government got under way, a taxpayer ini-

tiated a suit to test the constitutionality of the charter provisions which consolidated the existing road districts under the central administration of the engineer. After much litigation the charter provision was upheld by the State Supreme Court.

While this case was in the courts, quo warranto proceedings were instituted to test Kellogg's right to his office, on the grounds that he had been in the employ of the P. G. and E. at the time of his appointment—contrary to charter provision. After much bickering in the courts, the case was finally dropped, only to be revived and then dismissed for lack of prior prosecution.

Just twenty-two days after the charter was inaugurated, and while the road district consolidation and quo warranto litigations were in progress, two members of the Board of Supervisors demanded peremptorily that Kellogg resign "for the good of the county." They repeated their demands, but failed to obtain the backing of their colleagues.

Under pressure from the Board of Supervisors, Kellogg preferred charges of insubordination against and suspended his first director of health and welfare just seventy days after that officer took up his duties in the county. After the Board of Supervisors had voted to dismiss the health director, he chose to contest his position, holding that no specific charges of insubordination had been made. To substantiate his position physically, he locked himself up in his office at the county's Community Hospital and remained there continuously for five days. Armed with a restraining order, he left his self-imposed prison. Shortly afterwards, the Superior Court reinstated him, on the grounds that Kellogg had failed to file actual charges of insubordination.

Eleven months later the Board of Supervisors charged the health director with political activity and removed him from office. The courts again reinstated him, on the grounds that the board was without power to remove him. After he had staged another sensational escapade at the Community Hospital and had proved himself temperamentally unbalanced, Kellogg finally preferred formal charges and removed him from office.

MORE APPOINTIVE OFFICES

On January 7, 1935, the five formerly elective offices became appointive under the county executive, bringing the number of appointive offices under him up to nine. On that date, or shortly thereafter, Kellogg removed four of those officers and replaced them with new appointees. Two of the new appointees were forced to fight for their positions, and for twenty-three months there was constant turmoil, in and out of the courts, involving the county executive and his appointees.

The newspapers gave these escapades appropriate front page publicity, for they were sensational. Under these conditions

the charter government became the laughing stock not only in the county, but throughout the state. Each glaring headline added to the rising flame of public indignation. The Board of Supervisors and the county executive, who had proven themselves hostile to the charter ideal, plotted their course into the winds of an aroused public opinion, and thereby brought about their own doom. By election time in 1936 the scene was set for a reform movement to gain momentum.

NEW MANAGER APPOINTED

A reform Board of Supervisors was elected, which forthwith notified Kellogg that he would not be reappointed when his four-year term expired. Indicating further their intentions of bringing a reform government to the county, the board on February 23, 1937, designated Ernest A. Rolison their future county executive, and gave him immediate appointment of budget director. He held that position until he became county executive on the following June 2nd.

The choice of Ernest A. Rolison as county executive was entirely in line with the reform movement which started with the election of the new Board of Supervisors. His qualifications and previous experience fitted him admirably for the position. A California state registered civil engineer and a member of the International City Managers' Association, he has filled public managerial positions for a longer total period of time than any other man. He was successively city manager for the California cities of Redding, Santa Barbara, and Redwood City, the county seat of San Mateo County.

County Executive Rolison brought forth the tools of administration which had been anticipated by the freeholders. Upon his request the Board of Supervisors appropriated $5,000 to have a survey made of the county's administrative machinery. This survey resulted in the establishment of a Central Service Bureau, with high-speed tabulating equipment, and designed to be a service-rendering agency with no administrative responsibility. The facilities of the service bureau were utilized for cost accounting and statistical purposes by the Road Department, Community Hospital, Social Service Division, and purchasing agent.

The offices of county executive and purchasing agent were consolidated, and the purchasing procedure was much simplified, eliminating many cumbersome steps. To permit a degree of uniformity in commodity purchases, Rolison established a Committee on Standards. He reduced the rate of mileage payments to county officials using their private automobiles on government business from ten to five cents.

These innovations were all completed within a year after Rolison took office. The scene was ideal and presented a Board

of Supervisors with complete confidence in an efficient and capable county executive. During this period the county manager principle became a working ideal, and public-spirited citizens were justified in their belief that they had a well managed model government.

POLITICS ENTER THE PICTURE

Their optimism proved to be premature, however, for another force was at work concurrently that was to undo much of the constructive work that had been done. This force is identified with one Colonel Frederick Peterson, a professional politician, who had never served in a responsible public administrative capacity.

When the Board of Supervisors was considering candidates to select Kellogg's successor, Colonel Peterson was competing for the position. Shortly before Rolison was appointed, Colonel Peterson appeared before the board and demanded that they call a special election for the voters to decide on a charter amendment which would make elective the county executive and the five offices which were elective before the charter. He went further and threatened that if they did not yield to his demands, he would immediately begin to circulate petitions calling for such a special election to amend the charter.

When the board ignored his threats, he proceeded to circulate the petition and soon obtained the necessary quota of signatures.

After some litigation in the courts the special election was finally held on June 22nd. The results were indeed a sad commentary upon the democratic process, for they indicated that the Peterson amendments had won by 1,496 votes. Further, it is significant that only 25 per cent of the registered voters turned out to the polls on election day. In due time the charter amendments were ratified by the state legislature, and thus became organic law.

The Peterson amendments provided that the six elective officials should be chosen at a special election. This election, however, would have fallen within a few months of the 1938 primaries. To save the taxpayers the additional expense of the special election, the Board of Supervisors disregarded the election provisions, deferring the matter until the August primaries.

In the campaign that ensued the contest for the office of county executive was, of course, of principal interest. The only candidates were Mr. Rolison and Colonel Peterson.

Colonel Peterson and his backers disregarded the fundamental issue at stake, whether or not the people should have a real business-like county administration, and confined their activity to propagandizing a negative outlook upon progressive government. They assailed not only the advanced administrative practices which Rolison had initiated, but went beyond and maligned his spotless personal record. The at-

tacks of a newspaper published in San Francisco became so acrid in the heat of the campaign, that Mr. Rolison sued that newspaper for $200,000 in libel damages.

Confronted with the harassing problems of budget-making, Mr. Rolison chose to remain close to his office rather than stump the county on behalf of his election. Most of his campaigning was done by citizen groups, which arose in his behalf.

Election day was indeed a sad occasion for the proponents of real manager government, for the results revealed that Colonel Peterson had defeated County Executive Rolison by 2,776 votes.

Colonel Peterson now has taken office, and presents a second policy-determining agency in the county government. Being responsible to the people, he is forced to think not so much in terms of efficient administration as of policy. When he is not in accord with the legislative body, conflict is bound to ensue.

At the time of writing, County Executive Peterson and the Board of Supervisors have met but once in open session. On that occasion they came to an open break—over a question of policy! Indeed, the manager plan, which proved itself for one short year, is now absent from the San Mateo County scene.

TO GREATER ACHIEVEMENT IN KALAMAZOO

(Continued from Page 79)

recommendations which would lead to making a good situation better.

It wasn't an easy assignment. In nine cities out of ten municipal consultants can readily find numerous opportunities for improvement. But in a city which for twenty years has had a business-like manager form of government and which emerges at the top of the heap, the needle becomes smaller and the haystack more impressive. The consultant's report called attention to Kalamazoo's outstanding achievements and endorsed already existing sound practices, which is a good thing to put in the way of a possible backslider of the future.

But there were also a number of recommendations for further improvement, and study of these was begun at once by the city officials. As the *Kalamazoo Gazette* observed editorially, "No one knows better than the people of Kalamazoo themselves that this city is not 100 per cent perfect. . . There is no reason to suppose that all the applause now coming this way will give rise to any attitude of smug self-satisfaction. On the contrary, its effect most assuredly will be to spur Kalamazoo on to still greater achievement."

All of which adds up to something very refreshing, indeed.

Bringing County and Township Up to Date in Michigan

By ARTHUR W. BROMAGE
University of Michigan

Failing in attempts to secure home rule, Michigan counties have turned to piecemeal methods of improvement by way of functional consolidations and transfer of services.

THE defeat of home rule for Michigan's counties in 1934 did not put an end to that state's agitation for the reorganization of local rural government. Progress in county and township government by whatever means achieved is an end well accomplished. If changes in Michigan were not to be brought about by way of home rule, other means—transfer of services, functional consolidations, and increased state administrative supervision—have proved more efficacious. To accept such modifications, whatever the method, as being in the line of progress is the only choice for the realist.

The county home rule issue was first considered seriously in Michigan in 1929, when a constitutional amendment making home rule optional for counties passed the State Senate, only to be defeated by the lower house. Then Governor Brucker appointed a Commission of Inquiry into County, Township, and School District Government, which worked from 1931 to 1933. Among the reports of this commission was the draft of a second county home rule amendment. This, with little alteration, was passed by the Michigan Senate in 1933, but again was rejected in the lower house.

Blocked by repeated defeat in the legislature, the advocates of county home rule decided to reach the public by way of the constitutional initiative. A State Committee on County Reorganization in Michigan was formed to sponsor initiative petitions. Sufficient signatures were obtained to place the proposal of county home rule on the ballot at the general election of 1934. Like the other home rule proposals, this was entirely optional, not binding upon any one county. However, various state-wide organizations urged the electorate to vote "no" on every proposition appearing on the ballot in 1934. Partly because of this, and because of intense rural opposition, county home rule met its third defeat—this time more than three to two—at the hands of the people themselves.

The anticlimax in the whole campaign came when a so-called county home rule amendment was submitted by the legislature to the people in 1936. This, too, was rejected in the popular referendum. Meanwhile, piece-meal changes in county and township administration have been taking place in Michigan.

Functional analysis of governmental needs involves an attempt

to determine the optimum area of administration for a specific function. Although people may not need 175,000 separate units of local government, they demand functional services in health, welfare, road, and school administration. The service is the end, and the unit of government should be the appropriate means to that end. If the township or the county are not appropriate means for the performance of a function, then the answer is the transfer of that function.

TOWNSHIP FUNCTIONS TRANSFERRED

County health units and multi-county health districts with state aid and state-local coöperation are the solution when the townships are no longer adapted to the support and administration of rural health work problems. The advance function by function is less dramatic than sweeping change, but it is often more expedient than any scheme to overhaul units of government by general attack.

In Michigan functional advance has been largely in the fields of highway and health administration. In highway administration Michigan carried out from 1931 to 1936 a transfer of township roads to county management. This bitter pill for vested township interests was sugar-coated with an annual state grant for the maintenance and improvement of the township highway system. In other words, the state bought and paid for county management of farm-to-market roads.

The state legislature in 1931 called for their transfer to county control by Act No. 130, commonly known as the McNitt Act. On April 1, 1932, each county in accordance with this act took over 20 per cent of the total mileage of township roads and incorporated this proportion into the county road system. On April 1st of the succeeding years, each county took over a like percentage. Thus, during 1936, the last of the township farm-to-market roads were merged in the county system.

The McNitt Act also provided that in the year 1937 the counties should incorporate into their road systems all dedicated streets and alleys in recorded plats and outside of incorporated cities and villages. Due to an amendment passed by the 1937 legislature these subdivision roads were not transferred to the counties until 1938.

Under the legislation of 1931 an appropriation made from the revenues of the state gasoline tax was prorated to the individual counties in direct proportion to each county's percentage of the total mileage of township highways in the state. An appropriation of $2,000,000 was made for the calendar year 1932, and this was increased year by year until it reached $4,000,000 in 1936.

The total mileage of township roads transferred from the town-

ships to the counties from 1932 to 1936 was 62,200 and the total mileage of plat or subdivision roads transferred in 1938 was 15,000.[1] The $4,000,000 annual subsidy for counties now made from the gas tax in accordance with the McNitt Act is a grant-in-aid over and above other grants and state-collected, locally-shared taxes for highway purposes.

The grant-in-aid has played a strategic part in the transfer of the roads. One year after the McNitt Act Michigan voters approved the blanket fifteen-mill limitation on the general property tax. Thus the McNitt law conformed to the popular trend in relieving the general property tax. One of the natural complaints is that the grant-in-aid is not large enough. The relationship between functional costs in selected counties in 1930 and 1931 and the McNitt subsidies in 1937 is shown in the table above.

Since the McNitt money is apportioned to a county in accordance with the proportion of its township mileage, counties like Kent with a greater capacity to pay but with no correspondingly large ratio of township mileage have suffered. Counties like Roscommon having less capacity to pay but no correspondingly small ratio of township highway mileage have gained. Most counties have had to add to the McNitt subsidy other available grants-in-aid in order to provide adequately for maintenance and improvement of township roads. In 1935 the counties received $3,500,000 in McNitt payments from the state; they expended on township highways $6,914,287.[2]

The balances which the counties are putting into township roads come chiefly from two other grants: a specific grant of $2,550,000 from the gasoline tax and the return of the motor vehicle weight taxes by the state. With

COMPARISON OF FUNCTIONAL COSTS AND MCNITT PAYMENTS[a]

County	No. of Twps.	Land Area	Population per Sq. Mi.	Twp. and Village Valuation 1930	Functional Costs of Township Highways 1930	1931	McNitt Payments 1937
Antrim	15	475	21.0	$ 6,992,870	$ 48,338	$ 40,307	$ 44,449
Cass	15	493	42.4	18,926,950	76,408	50,418	42,038
Iron	7	1200	17.3	26,551,636	152,168	163,043	28,568
Kent	24	860	279.7	64,582,540	241,339	186,813	77,918
Luce	4	920	7.1	7,000,000	25,757	12,988	16,405
Roscommon	10	538	3.8	3,197,488	10,438	10,584	18,887
Total					554,448	464,153	228,265

[a]Functional Costs etc. from Bromage and Reed, *Organization and Cost of County and Township Government*, 1933; McNitt Payments from 1937 statement of State Highway Department.

[1]Harry C. Coons, *Mapping Michigan Roads*, mimeo., 1938, pp. 6-7.

[2]State Highway Commissioner, *Sixteenth Biennial Report*, 1935-1936, p. 239.

respect to 50 per cent of these weight taxes and the $2,550,000 grant from the gas tax, counties are specifically authorized (after spending such funds for other purposes which are given priority) to expend balances for the reduction of taxes for general highway township bonds and part of remaining balances for the maintenance of township highway systems.

Even the McNitt $4,000,000 subsidy and the balances available from other grants have not sufficed for both maintenance and improvement of township highways in a few counties. In Kent County the solution has been found in restoring township participation in road building. In 1937 the Kent County Road Commission informed the townships of the amount of funds from gas and weight taxes which would probably be available for improvement of McNitt roads. It was suggested that the townships enter into a matching program by appropriating township funds obtained from the general property tax. The townships coöperated to the extent of matching about five-sevenths of the available county funds.[3]

Prior to the state's action in transferring the administration of the rural road system from the township to county authorities, more than thirteen hundred county and township agencies had jurisdiction over this matter. This number has now been reduced to the eighty-three county systems.

Although rural Michigan has shown no inclination to relinquish township government as a whole, by means of a functional approach and state aid the townships have been relieved of their major activity. Even the farmers acquiesce in the general verdict that township roads are now in better condition than they were under township administration.

COUNTY AND MULTI-COUNTY HEALTH UNITS

In the year 1846 legislative action gave rural health administration in Michigan its basic outline. Then the state provided that the township board should act as a board of health. The act directed the health board to appoint a health officer who should be a well educated physician to act as sanitary advisor and executive officer to the board.

The board was authorized, however, where it was not practicable to secure the services of a well educated and suitable physician, to appoint the supervisor or some other person as health officer. This arrangement may have been adequate a hundred years ago. In 1933 a survey of fifty-three Michigan counties which were using the township plan determined that 500 medical and 660 non-medical health officers were responsible for public health therein.[4]

Michigan made possible in 1927 the organization of county and

[3] O. S. Kent, *Restoring Local Participation in Road Building*, mimeo., 1938.

[4] N. Sinai, *Organization and Administration of Public Health*, 1933, pp. 37-39.

multi-county health units. By Act 306 of Public Acts 1927, as amended in 1929, the Board of Supervisors of any county in the state was authorized to provide for a county health department to be paid for out of the general funds of the county. The plan of organization and the selection of the health officer must be approved by the state health commissioner.

The county health officer was given jurisdiction throughout the county, except in cities having their own organized health departments with full-time health officers. However, such cities may elect to join the county health unit. Two or more counties may organize a district health unit, for which a majority vote of the Board of Supervisors in each county is required together with the approval of the state health commissioner. The state may grant to a county an annual sum not to exceed $3,000 to aid in financing a county health department.

By 1932 ten counties had organized single, full-time health departments. In addition, nineteen counties in the northern part of the lower peninsula had combined to form five multi-county health units. A Bureau of County Health Administration was established in 1932 in the State Department of Health through which bureau the state health commissioner's program for the development of county and district health units has subsequently been carried out. The bureau also supervises the general health programs of county and district health units, checks their reports, appraises their activities, and collects and distributes data on the control of communicable diseases. The director of the bureau is available for consultation upon organizational problems, clinics, and disease control.

FOUNDATIONS LEND AID

Assistance from other sources has further fostered development of county and district units. The Children's Fund of Michigan was created in 1929 by the late Senator James Couzens. During its first year the fund assisted in the establishment of four district health departments of four counties each, and in the organization of one single county health unit. For this type of work the fund spent $109,970 in the single year ending April 30, 1937. In a recent report there are cited "notable results" accruing in the older districts aided by the fund for several years.[5] The Children's Fund of Michigan has not only subsidized county and district units, but has likewise supplied nursing and dental personnel for many counties without full-time departments.

The W. K. Kellogg Foundation was established in 1930 to provide for the health, happiness, and well-being of children. By the end of 1935 seven counties of southern Michigan were coöperating in the foundation's project known as

[5]See Children's Fund of Michigan, *Eighth Annual Report*, 1937, p. 9.

the Michigan Community Health Project: Barry, Allegan, Eaton, Hillsdale, Van Buren, Calhoun, and Branch (named in order of their adoption of the county health unit idea). The area involved contained 250,000 people.

The first step in each county was the organization of a county health unit which served as a center to coördinate the diversified health activities carried on by the various agencies in the county. At the start of the sixth year of the project, each of the seven counties had the following staff: "(1) county health officer, (2) one health counselor for each five thousand people, (3) one sanitary engineer and, during the summer months only, a student assistant, and (4) two clerks."[6]

Another contributing factor came into play in 1936 as federal funds became available to carry out the health provisions of the Social Security Act. Federal grants-in-aid have been used in Michigan to establish new county health departments, to strengthen existing county and city health departments, and to provide public health nurses in virtually every county. By August 1, 1938, Michigan had organized thirty-six district and county health departments. These cover fifty-eight of the eighty-three counties in the state. Sixty per cent of the entire rural population of the state now is protected by full-time, public health care.

[6] *The Eaton County Unit of the Michigan Community Health Project,* 1935-1936. p. 7.

COUNTY ADMINISTRATION OF PUBLIC WELFARE

At the inception of the depression, various units of local government were responsible for welfare administration. In some parts of Michigan, where the township was still used for this purpose, there were township, city, and county relief agencies. In 1932 Michigan had fifty-eight counties employing for this function the county unit system and twenty-five counties still using the townships and cities as units of administration. This distinction was of importance in granting aid to indigent persons outside institutions.

Under the county unit outdoor relief was administered by three county superintendents of the poor. Under the township-city plan, these respective units were responsible for outdoor relief, the county taking care of individuals whose residence was in doubt. In the township the supervisor was the relief officer. So far as institutional relief in the county infirmaries (poor farms) was concerned, it was carried on under the direction of the county superintendents of the poor, whether the county system or the township-city system was followed.

The probate judge (elected by the people) played a separate part in the welfare function. Adult, legal residents afflicted with any malady remediable by medical or surgical treatment could be hospitalized at county expense on his order. The juvenile division of

the probate court was responsible for the care of dependent and delinquent children. Mothers' pensions were also administered by the probate judge, the county treasurer paying them on order of the court. The probate judge had power to appoint the Soldiers' Relief Commission. A special millage could be levied by the county for relief funds to be distributed by the commission outside institutions to veterans, their wives, widows, children, and mothers. The commission had authority to give or withhold aid at its discretion.

Another factor in the relief set-up was the county agent appointed by the State Welfare Commission. This officer served in the investigation of such cases as indigent adults requiring hospitalization and neglected, dependent, and delinquent children. Such was the inarticulated organization of local rural welfare work at the time the storm of the depression broke.[7]

In 1933 the State Emergency Welfare Relief Commission was established by the state legislature. From July 1933 through December 1935 this commission carried out a program which involved a total cost of $149,000,000. In addition it directed the expenditure of over $49,985,000 on Civil Works Administration. Of the $149,342,000 expenditure, federal funds accounted for $106,943,000, state funds for $26,281,000, and local funds for $16,118,000. On the county level the program was carried out through a single county emergency relief administrator who was reponsible to an unpaid county commission of three members. The latter were appointed by and removable by the state commission with the approval of the Governor.

The emergency relief set-up resulted in obvious advantages: a single file of cases receiving emergency relief, a unified set of financial records, integrated county organization, and trained personnel.[8]

In 1935 the state established Old-age Assistance Bureaus in each county to meet the standards of and to obtain funds from the federal government in accordance with provisions of the Social Security Act. While unification under the state emergency relief administration was an improvement, a permanent relief organization was not established. Nevertheless, duplication remained as the old poor law authorities were neither abolished nor integrated with the newer agencies.[9]

During the first administration of Governor Fitzgerald, a Welfare and Relief Study Commission was appointed, on which Harold D. Smith, then director of the Michi-

[7]This situation is ably presented in Opal V. Matson, *Local Relief to Dependents*, 1933.

[8]For a remarkable description of how the system worked out in a single, unnamed county in northern Michigan, see Louise V. Armstrong, *We Too Are the People*, 1938.

[9]See William Haber and P. L. Stanchfield, *Unemployment, Relief and Economic Security*, 1936, pp. 1 and 10.

gan Municipal League, served as chairman. This commission reported in 1936 plans for the reorganization of state and county levels of public welfare administration. Under the leadership of former Governor Murphy, many of the recommendations of this commission were accepted after a hard struggle in the legislature in 1937.

COUNTY WELFARE DEPARTMENTS

Act No. 258 of the Public Acts of 1937 was designed to provide a Department of Public Welfare in each county. The department as therein provided was under the control of a County Public Welfare Board of three members, not more than two of whom could be members of the same political party. In a county having no city containing half the population of the county or half the assessed valuation thereof, it was arranged that the Board of Supervisors would appoint two members, and the State Department of Public Assistance (a new department also provided for by legislation of 1937) would appoint one member.

In any county containing such a city as outlined above the state department was to appoint one member, the county board one, and the city one. The act provided that two or more counties might establish a district welfare department. Under another section of the act cities of more than 300,000 population (Detroit) would continue to have their own city welfare departments. The remainder of a county including such a city (Wayne County) would have a separate welfare department with a special brand of welfare board.

Each Public Welfare Board was directed to hire a director and such assistants and employees as might be necessary. The major duties of this county board as outlined included: administration of general public relief (including unemployment relief and poor relief), old-age assistance, aid to dependent children, aid to the blind, assistance upon request to the probate court in investigational and follow-up service with respect to hospitalization of afflicted adults, afflicted and crippled children; supervision of and responsibility for the operation of the county infirmary and juvenile detention home; investigation upon request from the probate court of matters pertaining to dependent, neglected, and delinquent children; and action as agent for the State Department of Public Assistance under rules and regulations of the same.

The County Emergency Welfare Relief Commission, the County Old-age Assistance Board, the county superintendents of the poor, the county welfare agent, the Soldiers' and Sailors' Relief Commission, city directors of the poor, and the relief functions of the township supervisors were abolished by the act. In sum, Public Act No. 258 of 1937 provided for the long awaited unification of county welfare agencies.

The effective date of the act providing for the County Departments of Public Welfare was made dependent upon the taking effect of Act No. 257, which established a State Department of Public Assistance. This act provided for the unification of many state welfare functions into a single state department. Acts Nos. 257 and 258 were coördinate instrumentalities designed to furnish integration both on the state and the county levels in public welfare administration.

REFERENDUM CALLED

Within ninety days of the final adjournment of the state legislature in 1937, a petition signed by the requisite number of qualified electors was filed with the secretary of state, necessitating the submission of Act. No. 257 creating the State Department of Public Assistance to the voters by referendum at the general election in November 1938. The opposition which led to the petition for a referendum came largely from rural counties. The hue and cry of "state centralization" was raised against the legislative action. Home rule and local self-government served as convenient catchwords for the opponents of this legislation.

By a comparatively close vote Act No. 257 was defeated and indirectly, Act. No. 258 as well. Thus, a tremendous, potential advance in welfare organization and administration was defeated.

CONCLUSION

Bringing Michigan's counties and townships up to date is likely to continue as an unspectacular and gradual process of improving certain functional services. Michigan can offer no examples of general county consolidation and boasts no county executives or managers.

The technique which was used in Michigan to promote the transfer of township roads to county management and to develop county and district health units had as its core the grant-in-aid. In the case of these two functional activities, a considerable advance was made in local rural government through the elimination of a multiplicity of agencies. The attempt to apply a very similar technique to the problem of welfare administration did not produce the desired results. What made the difference? County authorities are not only willing to strip the township of its functions, but are politically capable of doing so. These same county authorities, however, are jealous of their own particular realms of power, and naturally opposed any consolidation of the old poor-relief authorities.

County Office Consolidations in Montana

By ROLAND R. RENNE
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The state has made a good start in its application of the short ballot principle to county government. Consolidation of offices has taken place in five counties.

IN 1933 the Montana Legislative Assembly passed an act providing for submitting a constitutional amendment to the qualified voters of the state, granting Boards of County Commissioners the power to consolidate certain county offices. This proposed amendment was approved by the voters on November 6, 1934, and declared in effect by a proclamation of the Governor a month later.

The amendment provides that the Board of County Commissioners of any county may, at its discretion, consolidate any two or more of the following eight elective offices and also combine the powers and duties of the offices so consolidated: clerk and recorder, sheriff, treasurer, superintendent of schools, surveyor, assessor, coroner, and public administrator.

When two or more offices are consolidated under a single officer, such officer receives the highest salary provided by law to be paid to any officer whose duties he is required to perform by reason of such consolidation, and also gives a bond in the same amount as would have been required of such officer.

The Board of County Commissioners must, in order to consolidate any of these officers, make such an order at least six months prior to the general election held for the purpose of electing these officers.

The amendment does not apply to the following offices: county attorney, clerk of the district court, commissioner, justice of the peace, and constable. The office of auditor is not specifically provided for in the Montana constitution, but in counties of the first, second, third, or fourth class, an auditor may be elected.[1] In other words, the consolidations provided for do not apply to these six offices.

To date only eight of Montana's fifty-six counties have taken any action to effect consolidation of county offices under the 1934 amendment. In three of these the county commissioners have rescinded all resolutions calling for such consolidations before they could become effective, and in one other county the commissioners have rescinded two of the three consolidations ordered, but have effected the other consolidation. In the remaining four counties a consolidated office is operating in one, while the consolidations ordered in the other three took effect only at the beginning of 1939.

[1]Only three counties in Montana qualify as being in one of these four classes. To qualify in one of these four, a county must have more than $15,000,000 of taxable valuation.

The eight counties whose Boards of County Commissioners have passed resolutions ordering consolidations are Blaine, Golden Valley, McCone, Mineral, Musselshell, Petroleum, Sheridan, and Toole. In Blaine, Golden Valley, and Toole the county commissioners have rescinded all resolutions ordering consolidation of any offices. In Blaine County the commissioners on March 28, 1936, passed a resolution consolidating the assessor's and treasurer's offices. This resolution was rescinded by the commissioners on June 3, 1936, or but slightly more than two months later. The reasons given for rescinding the order are: (1) that it would not effect any material saving of money; (2) that it would do away with one of the internal checks on the county officers and might be the means of opening an avenue for exploitation of the taxpayers.[2]

In Golden Valley County the commissioners on October 5, 1937, passed a resolution to consolidate the assessor's and clerk and recorder's offices to be effective January 1, 1939, and to consolidate the deputy treasurer's and deputy sheriff's offices, to be effective March 1, 1938.[3] Both actions, however, were rescinded by the county commissioners on May 3, 1938.

Arthur Burford, who was deputy treasurer and took over the consolidated deputyship (deputy treasurer and deputy sheriff combined) on March 1, 1938, was killed in the performance of his deputy sheriff's duties on April 14, 1938, six weeks after taking over the office. The death of Mr. Burford is given as the main reason for the commissioners' rescinding their former consolidation resolution. The feeling was general that a man working all day as deputy treasurer was not prepared, or at least would probably not take precautions to prepare himself adequately, to go out on duty calls as deputy sheriff. (Mr. Burford was very poorly armed when killed.) In other words, a man holding the combined deputyship would not devote as much thought to enforce-

[2]These are the reasons given by the clerk and recorder, who is the clerk of the Board of County Commissioners, in a letter to the author dated September 1, 1938. The three offices of assessor, clerk and recorder, and treasurer in Montana are charged with the duties of assessing, computing, and collecting taxes, respectively. The assessor reports all assessments to the clerk and recorder and the State Board of Equalization, and reports to the treasurer and state board the assessments on personal property that are not liens on real estate. The county clerk and recorder's office must check with the treasurer's office on amounts to be collected and the funds actually collected. Consequently, it is felt by many that keeping these three offices separate provides a good system of internal checks and balances on finances. However, the state examiner's office makes a careful audit of the books of county officers every year, and it would seem that it should be possible to set up a system of records and accounts that could be checked by a competent auditor to detect frauds at least as well as under the present system. However, the consolidation amendment does not provide for any such adaptation procedures.

[3]The authority to consolidate deputyships is not specifically mentioned in the office consolidation amendment. This authority is implied in the broad powers given the commissioners, who must approve all deputy appointments.

ment of the law and the taking of necessary precautions as would one who had no other duties except the deputy sheriff's duties to perform.

The question also arose as to what bond such a combined deputy should carry. The sheriff's office pays a higher salary than the treasurer's office, so the deputy would be primarily a sheriff's deputy and the treasurer's deputy secondarily. Yet the treasurer's bond is a much higher one than the sheriff's bond.

This apparent technicality calls attention to the need of a complete revision of the Montana consolidation law and of more specific provisions regarding each possible consolidation. At any rate, petitions were circulated by representative citizens of the county after Mr. Burford's death, asking the county commissioners to rescind their consolidation order (including the proposed consolidation of the assessor's office with the clerk and recorder's office), which they did.

In Toole County the commissioners, on April 10, 1936, ordered that the office of the surveyor be consolidated with the office of assessor, and that the offices of coroner and public administrator be consolidated with the office of sheriff. Both of these proposed consolidations were rescinded less than a month later by the county commissioners on May 7, 1936. They were to have become effective at the beginning of 1937.

COUNTIES WHERE CONSOLIDATIONS ARE EFFECTIVE

The two counties in which consolidated offices are in actual operation are Sheridan and Mineral. In Sheridan County the commissioners on March 24, 1936, ordered that the assessor's and treasurer's offices be consolidated with the office of the clerk and recorder, that the office of surveyor be consolidated with the office of sheriff, and that the office of public administrator be consolidated with the office of coroner. All of these three consolidations were effective the first Monday in January 1937, except that the county treasurer held his office until his term expired on the first Monday in March 1937.[4] These three consolidations have been in effect in Sheridan County since that time.

In Mineral County the commissioners on March 23, 1936, ordered that the office of county superintendent of schools be consolidated with the office of treasurer, that the surveyor's office be consolidated with that of assessor, and that the offices of coroner and public administrator be consolidated with the sheriff's office. These consolidations were to be effective at the beginning of 1937, but on April 8, 1936, only two

[4]The terms of treasurers, which are for two years, expire in Montana on the first Monday in March of odd-numbered years, while the terms of the other seven officers included in the consolidation amendment, which are also for two years, expire on the first Monday in January of odd-numbered years.

weeks after passing the resolution consolidating these offices, the commissioners passed a resolution rescinding the first two of these proposals. However, the consolidation of the offices of coroner and public administrator with the office of sheriff has been in effect since the beginning of 1937.

In McCone, Musselshell, and Petroleum Counties, consolidations which have been ordered by the commissioners went into effect at the beginning of 1939. In McCone County the assessor's and clerk and recorder's offices were ordered to be consolidated by a resolution passed April 8, 1938. In Musselshell the same consolidation was ordered by a resolution adopted January 15, 1938. In Petroleum County the assessor's and superintendent of schools' offices were ordered to be consolidated and the offices of public administrator and coroner were ordered to be consolidated with the office of sheriff by resolution passed January 5, 1938. In each of these three counties no officers were elected for the offices ruled abandoned by the above resolutions, so that these consolidations were effective at the beginning of 1939.

OFFICES CONSOLIDATED

The facts set forth above indicate that while county office consolidation under the 1934 amendment has not been widespread or large, nevertheless, some significant beginnings have been made. There does not appear to be any standard type of consolidation common to all of the eight counties. Apparently the offices which are ordered consolidated are made to fit local conditions and local personalities.

The office of assessor seems to be the one which is mentioned most frequently for consolidation with some other office. In six of the eight counties this office was ordered consolidated with either the clerk and recorder's office (in four counties), or with the treasurer's office (one county), or with the superintendent of schools' office (one county). This latter consolidation is not as logical as the others, these two offices having little in the way of common qualifications or duties. In the county in which this consolidation was ordered, however, the assessor was qualified for the office of superintendent of schools and was successful in the November 8, 1938, election to fill the consolidated position beginning in 1939.

Another consolidation which seems quite popular is that of putting the public administrator's and coroner's offices with the sheriff's office. This consolidation was involved in three of the eight counties, and to date in only one of these three cases has the resolution ordering such consolidations been rescinded. (In one of the other five counties the office of public administrator was ordered to be consolidated with the office of coroner.)

These three offices have much in common in the way of qualifications and duties. For example, one of the duties of the coro-

ner is to discharge the duties of the sheriff when the sheriff is party to an action or proceeding, and one of the duties of the public administrator is to administer and take charge of the estates of people dying within the county who have no known heirs, or of estates ordered into his hands by the court. One of the logical questions which arises when these two offices are consolidated with the office of sheriff is, "Who discharges the duties of sheriff when the sheriff is party to an action or proceeding?" No provision for this possible situation is made in the consolidation amendment.

The office of surveyor is mentioned for consolidation in three of the eight counties. In two of these cases, it was proposed to consolidate it with the assessor's office and in the other, with the sheriff's office. The office of surveyor in Montana is not now nearly as important as formerly, when there was much surveying and laying out of new roads. In fact, in some of the smaller counties there is virtually no work for the surveyor, and in several of the counties the office is vacant. In a recent survey eight counties showed no expenditures for this office, and fourteen others spend less than $100 annually.[5]

The logical question which arises is, "Why go to the trouble of electing officials whose earnings in the office are so small as to be frequently less than the cost of electing them?" An increasingly large number are of the opinion that such offices should be abandoned by consolidation with another office, and that the small amount of work that is required, if it be of a special or technical nature, should be hired on a professional basis. Similar conclusions could also be made concerning the coroner's and public administrator's offices in most Montana counties.

It is interesting to note that during the four years in which the consolidation law has been in effect (1935 to 1938), four of the eight counties passed resolutions regarding consolidation in 1936, one in 1937, and three in 1938. The fact that 1938 was an election year undoubtedly helps to account for the increase in actions taken in this year over 1937. Any office consolidations ordered during the coming year (1939) will not be effective until the terms of officers elected on November 8, 1938, expire.

Montana voters approved an amendment to the state constitution increasing the term of office of the eight officers mentioned in the beginning of this article to four years, instead of two, at the general election on November 8, 1938. Since this amendment had not been approved prior to the date the officers were elected, it is assumed that they will hold office for two years, but that at the next election (November 1940) they will be running for four-year terms. Consequently,

[5]See the author's "Montana County Organization, Services, and Costs," Montana Agricultural Experiment Station Bulletin No. 298, April 1935, p. 33.

no additional county office consolidations can take effect prior to the beginning of 1940.

Nevertheless, the fact that there were three consolidations ordered in 1938, none of which have been rescinded by the county commissioners, is encouraging in spite of the fact that only one-seventh of the counties have taken action of any kind during the four years in which the law has been in operation.

PROBLEMS OF CONSOLIDATION

Consolidations would undoubtedly be more general were it not for the confusing and conflicting situations which develop because of the carry-over of procedures established before consolidation, when all eight officers were elected independently. There are no far-reaching and complete revisions in financial and accounting procedure provided for in the case of specific consolidations to take care of the many confusing situations which inevitably arise, some of which have been pointed out in this paper. Also, those personally interested may bring pressure to influence commissioners not to pass consolidation resolutions or to rescind them if and when such resolutions are adopted. (Note the short time elapsing between the time consolidation resolutions were passed in some counties and the time they were rescinded.)

In Sheridan County where the consolidation of the offices of assessor, treasurer, and clerk and recorder has been in effect approximately two years, reports indicate that significant savings have been made. The Montana Taxpayers' Association, in its quarterly publication *Montana Taxpayer,* carried an item in March 1938 stating that, "In spite of state requirements to maintain the same cumbersome accounting system, the consolidated offices operated in 1937 for $5,681.29 less than when operated separately in 1936." This lower level of operation costs were continued during 1938.

The consolidations which have been made in Montana represent for the most part sincere beginnings to adapt Montana county government more adequately to present conditions and to improve efficiency.

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State Supervision of County Finance in Kentucky

By JAMES W. MARTIN
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Local self-determination not impaired by prescription of uniform budgeting, accounting, and reporting. Within this framework counties may manage their own affairs.

AS EARLY as 1914 the General Assembly of Kentucky sought to establish a uniform system of accounting among counties of the state. Forms were prepared by the state inspector and examiner and turned over to the counties in the hope that they would be able to understand them and willing to use them. About half of the counties made no effort to install the new system; of the remainder only about half a dozen persevered in its use.

Twelve years later, in 1926, the General Assembly again tackled the problem by enacting a uniform county budget law, which shortly was declared unconstitutional in its entirety. A further law, enacted in 1932, was so drafted that the Court of Appeals declared it inoperative.

More careful draftsmanship, together with the experience gained from these abortive attempts at county supervision, gave the state and counties, in the 1934 Uniform County Budget Act, the first effective legislation on the subject.

The primary purpose of the 1934 County Budget Act was to bring some measure of order into the fiscal management of the counties. To stop the perpetual accumulation of floating indebtedness, the act required each county to prepare an annual budget covering all expenditures and forbade the allowance of claims not provided for in the budget.

State supervision was provided in the requirement that the county budget, after formulation by a budget commission but before adoption by the fiscal court, be submitted to the state inspector and examiner for approval as to form and classification.

Further supervisory authority was lodged in the state by the requirement that all counties adopt uniform accounting systems, to be prescribed by the state inspector and examiner. A separate act also provided that this officer should annually audit each county.

In putting the 1934 County Budget Act into operation the state inspector and examiner, Nat B. Sewell, avoided those mistakes which had made the 1914 law inoperative. A field staff of fifteen accountants was employed to assist the counties in the preparation of their first budgets and to instruct them in the use of the new accounting forms.

Although the law did not re-

quire the preparation of a budget for the first year, 1934-1935, 112 of Kentucky's 120 counties voluntarily made a start in that year. The fifteen men, together with Mr. Sewell, visited each of the counties at least once and, through tactful education and persuasion, secured the coöperation of most county officials in getting the budget and accounting system under way.

FIELD AUDITORS VISIT COUNTIES

The first county audits were made during 1935, and since then annually; this affords a continuous opportunity to follow up the work started in 1934. In addition to the annual visits of the field auditors, Mr. Sewell personally has occasion to visit forty or fifty counties each year to help untangle their financial problems.

Because of the relationship of county finance to state functions in property tax administration, the authority to exercise financial supervision over counties was vested in the Department of Revenue by the 1936 Governmental Reorganization Act. To bring the appraisal of state supervision impartially within the purview of post auditing, this function was lodged in another department. Mr. Sewell, as director of post audits,[1] has continued to make annual county audits and has assisted the Department of Revenue in the exercise of its supervisory functions.

[1]The present Division of Post Audits represents an interim arrangement pending the effective date (January, 1940) of certain phases of the Reorganization Act of 1936.

Under the 1934 County Budget Act undoubted progress has been made. It is not possible to know how most of the counties managed their affairs prior to the enactment of this legislation. The large accumulation of floating debts and of funding bonds with which many counties are still saddled indicates that free and easy spending, with little reference to income, was generally the rule.

Floating indebtedness, funding bonds, and courthouse bonds outstanding aggregated $12,000,000 on July 1, 1935. (This is more than one year's income from all sources of all the counties.) By July 1, 1937—only two years later—these had been reduced to $6,500,000. This indicates the counties of Kentucky were living within their incomes and in addition were paying off their old debts—and this, too, during a period of economic stress. There are many counties which have incurred no floating indebtedness since 1934—eloquent evidence of the improvement brought about by the county budget law.

Regrettably, the record of the past fiscal year is not so encouraging. The first six months of the year witnessed the worst spending spree and the most flagrant violations of the budget law since its adoption. There may be some connection between this circumstance and the fact that last year was the first local election year since enactment of the budget law.

The two problems which cur-

rently present greatest difficulties are the propensity of many counties to overspend their revenues and the state of near-bankruptcy to which a number have been reduced by excessive debts and a contracting tax base.

PREVENTING OVERSPENDING

The 1934 law was not entirely effective, as already has been intimated, in preventing counties from overspending their revenues. Certain amendments made by the 1938 General Assembly were designed to erect further safeguards against such practices. The Department of Revenue was authorized to withhold approval of a budget which overestimated receipts or contained any appropriation for an illegal purpose, which with certain probable exceptions includes appropriations for paying claims incurred during a preceding year in excess of the budget appropriations for that year.

To prevent the recurrence of such reckless spending as during the fall of 1937, it was specified that in local election years a county might not spend more than 65 per cent of its anticipated revenues during the first six months. Finally, the county court clerk was required to present the fiscal court and the Department of Revenue a quarterly statement showing in detail the status of each budget appropriation account. These reports provide a current picture of what is taking place in the counties. The department is calling to the attention of the county officers each instance in which the report indicates any danger of overspending the budget.

One of the greatest obstacles to sound financial management of Kentucky counties is the absence of any accounting system uniformly applied. Accrual accounting is virtually unknown. Usually no entry is made on the books until a claim has been approved by the fiscal court and a warrant drawn for its payment. Consequently, the books may indicate that a county is operating well within its budget, while at the same moment stacks of valid claims may have accumulated which, if paid, would throw it hopelessly out of balance. A step in the direction of remedying this situation has been taken in the requirement that such claims be shown in the clerk's quarterly statement mentioned above.

The ultimate solution lies in the installation of a system of accrual accounting in each of the counties. Accrual records, unfortunately, must be somewhat technical; and but few of the county court clerks are trained bookkeepers. The Department of Revenue has devised a reasonably adequate accounting system but recognizes that much servicing will be required and that installation in only a few counties at a time, therefore, will be possible.

Wide diffusion of county responsibility renders supervision difficult. While the incurring of obligations by a county in excess of its budget appropriations is

prohibited by statute, and those responsible for such acts are subject to prosecution, there is almost no way of fixing such responsibility. Unsuccessful legislative efforts have been made to concentrate responsibility, with concomitant authority, in some single county officer.

The responsibility for prosecuting such offenses lies by implication in the county attorney or some local taxpayer; by law the Department of Revenue and the director of post audits may exercise this responsibility. It is neither practicable nor desirable that any state supervisory officer should be charged with the duty of policing the county officers of 120 counties, and it is also inexpedient to depend invariably on the county attorney to take such matters in hand. The problem of compliance, it appears, must be solved, if it is to be solved satisfactorily, by persuasion, admonition, and coöperation. Even this approach, however, is rendered difficult by existing diffusion of responsibility for county management among numerous local officials.

The debt problem of Kentucky's counties has reached such proportions that Governor Chandler considered it necessary to call a special session of the 1938 General Assembly for its consideration. Although the entire indebtedness of all Kentucky counties is comparatively small, it has mounted to a sum equal to the total aggregate revenue for nearly three years produced by imposing, almost uniformly, the maximum county levy. On June 30, 1938, twenty-six counties were in default. In some counties receipts from the bond levies are not sufficient even to meet annual interest charges.

CONTROL OF DEBT UNDERTAKEN

Faced with widespread default in counties, both actual and impending, the General Assembly felt that some measure of assistance was necessary. The County Debt Act of 1938, while not going as far (particularly in state financial aid) as some had hoped, attempts to do certain definite things.

Inadequate control over the issuance of county bonds has been one of the causes of the present incapacity of the counties to meet their debt obligations. The 1938 act requires that any proposed county bond issue bringing a county's indebtedness to over 0.5 per cent of its assessed value be submitted to the Department of Revenue for approval. The department may refuse approval if, among other things, there is reason to believe that the county will not be able to meet all principal and interest maturities when due.

Since the department is in a favorable position to evaluate the financial prospects of each of the counties, it should be able to do much toward preventing them from incurring further indebtedness beyond their capacity to pay. Provision is made, incidentally, for appeal from the decision of the department to the County

Debt Commission (an ex officio commission of state officers created by the act) and thence to the courts.

SINKING FUND PROBLEM

A further cause of the failure of counties to meet their debt obligations has been the diversion, improper investment, or dissipation in one form or another of their sinking funds. The state of West Virginia solved this problem nearly two decades ago by requiring all subordinate units to place their sinking funds in the hands of the state. The efficacy of this plan has been amply demonstrated: West Virginia enjoys the distinction of having had no defaults in municipal bonds throughout the period of the depression.

The adoption in whole of the West Virginia plan by the commonwealth of Kentucky would have run strongly counter to deeply rooted traditions of local autonomy and probably would have been unconstitutional. The County Debt Act of 1938 took a step in this direction by authorizing the setting up of a similar central sinking fund arrangement, but by making participation on the part of the counties voluntary except for those which issue bonds approved by the Department of Revenue. As already noted, its approval is required only in cases where a county issues bonds increasing its total indebtedness to over 0.5 per cent of its assessed value. Refunding issues, by virtue of the fact that they do not increase a county's indebtedness, do not therefore require the approval of the department.

This points to one striking deficiency of the present law. Generally the counties most in need of state assistance and possibly control are those which have found themselves unable to meet their debt obligations and are thus forced to resort to refunding operations. Such counties may avoid the necessity of participating in the central sinking fund simply by declining to submit their refunding issues for approval. If the services of the state government prove to be worth while, however, it is likely that creditors, in the long run, will condition acceptance of refunding plans on their utilization.

Nevertheless, it is possible under the present law that counties which in the past have managed their debt financing adequately may find themselves required to participate in the central sinking fund, while those in which debt management has been notoriously bad may be exempt. The principle that state control should be exercised where needed and inoperative where no necessity for it exists has not been fully realized.

The County Debt Act of 1938 imposed certain additional safeguards upon sinking fund management. It restricted the kinds of investments eligible for sinking funds to a few sound types of securities. It required the preparation semi-annually of a report on the status of each sinking fund

retained under the management of county officials.

The habitual failure of many counties to build up sinking funds for the redemption of term bonds was attacked in an indirect fashion. The Department of Revenue was given authority to withhold approval of a county's budget if it fails to comply with any requirements of law. One relevant requirement is that a county make adequate annual provision for paying its debts when due. Approval of a county's budget, therefore, may be withheld until the county officers are willing to appropriate sufficient sums for their sinking funds.

The provisions of the 1938 County Debt Act already mentioned are preventive in their emphasis; they are designed to safeguard a county against future danger of default. Since this act became effective no new bonds have been issued. It appears that some raids on sinking funds have been prevented, and in their 1938-39 budgets several counties perforce have made more adequate provisions for building up their sinking funds or paying their debts. However, the immediately pressing problem is one of removing default or of preventing imminent default. It is to this task that the Department of Revenue largely has directed its attention.

NEGOTIATING DEBT ADJUSTMENTS

The department is serving as a liaison agent between the counties and their bondholders. It believes that in few cases is there a divergence of interest between the two parties and that the principal task is to get them together for the purpose of threshing out their problems until a mutually satisfactory solution is reached. The first imperative was a realistic and unbiased inquiry into the debt status of each county and its capacity, present and prospective, to pay.

The department, with the cooperation of the Legislative Council, promptly prepared detailed analyses of the indebtedness, revenues, expenditures, and future financial prospects of each county in question. Several conferences between county officers and representatives of bondholders have been held. As a result of these conferences a few tentative refunding contracts already have been prepared. These are being closely scrutinized by the department, which is prepared to insist that any agreement entered into must be on such terms that future default will not be probable.

CONCLUSION

Local autonomy is, by long tradition, highly cherished in Kentucky; it is desirable that this sense of local responsibility be cultivated. Counties which by chronic bad management, however, bring disrepute upon the state, and in a very real sense injure the credit of well managed counties, have forfeited in part their right to manage their affairs as they see fit.

The particular problem involved in state supervision is to secure controls where needed

without otherwise reducing autonomy. Local self-determination is not impaired by the state's prescribing uniform procedures in budgeting, accounting, and reporting. Within the framework thus set up, the county may fully manage its own affairs.

Approval of budgets, in the case of well managed counties, becomes perfunctory, except that assistance and advice may be given and are usually welcome. In practice, the requirement that county budgets be approved by the Department of Revenue places controls and limitations upon local autonomy only where these are needed.

State supervision over county finance in Kentucky is only four years old. As experience is gained, mistakes will be observed and improvements in law and in practice will undoubtedly be made. The predominant attitude, both of the director of post audits and the Department of Revenue, has been one of helpfulness rather than of attempted coercion; of supervision, not direction. In general the counties have welcomed this assistance and have lent willing coöperation. Increasingly, county officials are coming voluntarily to the state offices for advice. The Department of Revenue is proceeding on the assumption that the prime emphasis in state supervision should be on helping the counties themselves to do a better job.

EDITOR'S NOTE—This paper has been rewritten from an address prepared under the supervision of the author by his colleagues, Harry Lynn, research supervisor, and H. Clyde Reeves, executive assistant to the Commissioner of Revenue, and presented by the latter before the Kentucky Academy of Social Sciences, October 29, 1938.

THE STATE COMMISSION OF LOCAL GOVERNMENT

(Continued from Page 88)

educational, advisory, and informational service to Virginia counties.

In summary, it may be said that although most states still depend on the supervision of county government through constitutional, statutory, electoral, or executive departmental control devices which have largely failed, certain states have established permanent local government commissions. These are either purely advisory as in Pennsylvania and in North Carolina, prior to 1931; distinctively regulatory as in North Carolina since 1931; or for research, education and promotion, and the recommendation of legislation, as in Virginia.

It is my mature conviction that all of these functions should be embodied in a permanent state Department of Local Government, with an adequate personnel, funds, and authority to perform its functions. The cost of local government in Virginia represents $85,000,000 for the counties, cities, and towns, as compared with about $51,000,000 for the state government. This proportion is largely true in other states. The efficiency, economy, and democratic responsiveness of local government in the United States is probably the final test of whether we can really make democracy work in the country.

Erie County Adopts New Salary and Position Plan

Salary schedules as worked out by Committee on Classification and Standardization now embodied in 1939 budget.

By SIDNEY DETMERS
Manager, Buffalo Municipal Research Bureau, Inc.

THE Erie County, New York, Committee on Classification and Standardization of County Positions filed its report on July 26, 1938, sixteen months after it was appointed. That report is the outcome of a rather outstanding piece of work, the results of which were embodied, late in November, in the county budget for 1939.

Salary surveys are not new in Erie County. The three most recent were those reported in 1929, 1933, and 1935, which were made by committees of the Board of Supervisors after they had spent much time and labor on them. None was formally adopted and none had much effect in accomplishing its purpose, as is evidenced by the continued references to "inequalities and injustices" in salaries which have marked the proceedings of budget-making each year.

In 1934 the Buffalo Municipal Research Bureau pointed out that the cause of this condition lay in the method used in making the surveys; that the county supervisors appointed to the committees were necessarily inexperienced in collecting essential data, were often misled by misrepresentation or faulty information, and often influenced by conscious or unconscious prejudices as to individual employees, or by political considerations. Thus, it said, in the end there was no scientific basis of fact on which to found their practical judgment; and such a basis ought first to be established by a private, professional body, and its findings submitted to the official committee for action.

Though the Bureau's recommendation was not adopted for the 1935 survey, which was carried on with WPA assistance, and failed, as had the other surveys, to be adopted by the full board, the committee appointed in 1937 unanimously voted to adopt the bureau's plan. This committee consisted of five members of the Board of Supervisors and five private citizens, one each from the research bureau, the taxpayers' league, the civil service employees, organized labor, and the public at large, voting right was restricted to the board members, but no questions arose which necessitated resort to this provision.

At its first meeting the committee voted to retain a local firm which had a good record in doing municipal work of this character, and a contract involving the payment of between $4,000 and $5,000 was concluded. Apart from general instructions as to

the scope and character of the data to be obtained, the firm was left unhampered by the committee and by its members to carry on its work.

This work included, as the firm's report showed, the questioning of each of the 1,400 county employees as to their duties, except where the duties of a group were identical, as in the case of penitentiary guards, where typical individuals supplied the information; verification of this information by the department head concerned; interviewing local private employers as to salaries and wages paid in private employment to persons performing duties identical with or analogous to those in county employ; examination of rates paid in public employ in comparable municipalities; classification of Erie County positions; writing definitions for each such group of positions; fitting each county position into its proper place in the new schedule; and revising the title of each position to conform to the proposed new title.

SALARY SCHEDULES PREPARED

The schedule provided a minimum for beginners and a specified annual increment to the maximum. The rates proposed excluded consideration of distress and other subnormal rates in private employment.

The firm's report was submitted early in March 1938, when, as had not been anticipated, the county welfare department took over the welfare administration of the entire county including that of the city of Buffalo, and added some 1,100 positions to the county's previous 1,400. The committee insisted that these new positions be salaried according to the same factual basis as the others had been, which necessitated some delay in the final report. On July 26, 1938, however, the completed report went to the Board of Supervisors, and a bitter fight ensued.

This was occasioned by the fact that a great number of social workers who had been working in the city department at higher rates than the proposed schedule objected to being "reduced," although their positions with the city having been abolished, they ought to have been satisfied to obtain positions at the reasonable rates which the county proposed to give them.

The committee concentrated its efforts on obtaining the passage of this crucial section of the report —that affecting social workers— and after many public hearings the schedule was adopted by the full Board of Supervisors by a vote of 29 to 25, a bare majority. These and all the other salaries as provided by the schedule are now embodied in the county budget for 1939, and the committee's work has thus been brought to a successful conclusion.

The county salaries had been reduced from the 1929 rates by about 10 per cent and then raised by about one-half of the cut. The demand in 1937 was for a full "restoration." The committee had this demand to deal with. It

found that the salaries of 1928 and 1929 and the attempts under previous surveys to fix them from time to time to accord with existing conditions was done by rule of thumb rather than by any definite plan, and each attempt provoked much feeling in the case of certain individuals. The committee said:

RESTORATION OF CUTS DEMANDED

"A policy of fixing more reasonable starting salaries was impeded from time to time by demands for 'restorations of salary cuts' and by demands for the elimination of 'inequalities.' The so-called 'restoration of salary cuts,' of course, has no relation to elimination of 'inequalities' because 'restoration of salary cuts' would be bound to create more 'inequalities,' at least in so far as more recent appointments are concerned. 'Restoration of salary cuts' is a good slogan for any employee or group of employees paid a salary in 1928 or 1929 which will not stand critical analysis today. A classification and standardization plan that is fair and just will correct any proper case of underpayment, but such a correction would have no connection with 1928 or 1929 salary paid but would stand on its own feet in the light of present day conditions.

" 'Restoration of salary cuts' is still a good slogan, however, with which to confuse thought on what is fair pay for work actually being done. It can also be used to confuse any effort, however reasonable, to reclassify positions in accordance with duties actually being performed and to place fair cash values on such reclassified personal service."

This classification plan or any scale of salaries is not a static thing but needs to be re-examined and to be kept up to date from time to time if it is to work to the satisfaction of the employees who work under it and of the public which pays the bills.

It is therefore contemplated by the report of the committee that it shall be made the duty of some agency to see that new positions as they are created fall into proper groups, and when a vacancy occurs which can be filled by promotion, that the opportunity is afforded to those qualified to compete for it.

The difficulties to be encountered in setting up a standard schedule of this kind cannot be overestimated. They consist chiefly in the objection of employees who have obviously been favored by too-great salaries to suffer any reduction even to a fair basis of pay. What has been in their minds, is what ought to be. In such an attitude they are too often supported by officials who somehow cannot grasp the idea that a fair, scientifically constructed schedule is in the end, in the interest of good morale, satisfaction on the part of employees and just to the public as well.

New Orleans Research Bureau Takes Up the Mushroom

Clouds over Rochester
A Picture Book of Ballots
Schenectady Gets Cheaper Votes
Research and the Cost of Government

"In the brief span of eight years public relief has mushroomed from a minor function of local government to a problem of national concern. A work once carried on largely by private charities has become a part of a huge federal-state-local undertaking.

"What is the future of this problem of supporting the needy from public funds? Will improving economic conditions solve the difficulties of today? How can we pay the tremendous cost of public relief?

"There are also the problems of rehabilitating those now on relief rolls to the point of self-support and the role of the private relief agencies in this work. These are questions of grave public concern. They need research, interpretation, and public knowledge."

Thus does the **New Orleans Bureau of Governmental Research** preface an announcement in its bulletin of January 5th of the initiation of a series of bulletins on public relief. "It is hoped that the articles may be helpful to both public officials and laymen by clarifying some issues, by furnishing facts, and by indicating some possible improvements."

The New Orleans Bureau's action follows logically on the exciting and excited discussion of the relief question at the last annual meeting of the national **Governmental Research Association** (September 1938, Princeton, New Jersey), and it may well presage similar undertakings by other bureaus, similarly impressed not only with the importance of the problem but with the paucity of constructive interest in it. The breadth of treatment of the subject of relief in the first of the New Orleans series, which accompanies the announcement, is another good omen.

A December bulletin from the **Rochester Bureau** highlights one troublesome phase of the relief question. A vivid graph illustrates the relationship of welfare debt to total welfare cost in the past ten years, for which period the bureau coins the term "the welfare era." "According to the figures Rochester ended its first decade of the welfare era with about two-thirds (65.23 per cent) of its welfare obligations paid. It is not probable that many cities in Rochester's population group can show as good a record. Nevertheless, there is one regrettable note in the score. Interest on funds borrowed to meet current welfare expense has already approached the million mark, and, before the final obligation incurred prior to 1938 is discharged, the gross interest charges will reach the very respectable sum of $1,349,870."

The bulletin lays the "cloud of welfare debt" to fear of the political results of a high tax rate, and the feeling among taxpayers that the tax bills are too high, and cogently points out again the consequence—that respectable interest charge.

Research Bureaus Take Up the Vote

Of late, with a glance at the dictator countries, American hands have been devoutly raised to heaven in thanksgiving for the privilege of voting "No" with complete physical safety. But the mechanical hazards of the vote are still being more or less consistently ignored. Comes Professor Carl O. Smith of Wayne University to remind us, with *A Book of Ballots* published with an introduction by the **Detroit Bureau of Governmental Research** (June 1938).

It is just that—a collection of ballots used in American state and local elections, with a few foreign ballots to show con-

trast. Their infinite and complicated variety should be proof enough that vote frauds and polling place sluggings are not the only reason why the vote so often goes "wrong" to an expert's way of thinking. Even the voting machines, which theoretically cut down the margin of fraud, give promise of augmenting the margin of confusion.

In the United States, control of the ballot, physically speaking, is entirely in local hands. After the localities get through solving the relief problem, they might turn their attention to this one. The *Book of Ballots* should serve excellently as illustrative material for the do's and the don'ts. And, incidentally, it should give the short ballot principle another boost.

The **Detroit Bureau** turned its attention to another aspect of the vote in its study of *Detroit Voters and Recent Elections*, dated June 1938. The municipal vote since 1928 was analyzed by nationality groups, sex, economic class, and geographical location within the city, with a view to discovering how many of each group voted on what questions. There are numerous charts and tables and maps to support the bureau's findings. Although the study's special significance must be for Detroit voters themselves, it illustrates what tremendous possible significance there could be in a group of similar studies done by other research bureaus for their respective cities. In recent months Flint has done something similar.[1] Why not others?

One other bureau seems already to have turned its attention to another phase of the ballot situation, with concrete results. The **Schenectady Bureau** some years ago made recommendations to the city clerk and council which were designed to cut voting costs, and last year some of these recommendations were put into effect. A bureau bulletin reports that the moving of polling places from private properties, where rents ranged from five dollars to seven dollars per day, to city-owned land and buildings, has resulted in a reduction of 41 per cent in polling place rents. It suggests redistricting as the next step in cutting the cost of the franchise.

[1]Discussed in NATIONAL MUNICIPAL REVIEW for January 1939, page 53.

Des Moines Answers a Question

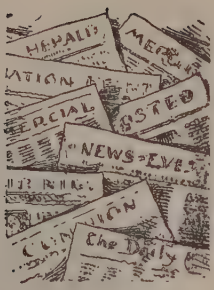
"When do we start to hold down public costs and taxes?" The question must ring familiarly in a researcher's ears. The **Des Moines Bureau of Municipal Research** has an unsual reply. Des Moines local government costs have not gone up, they are in fact little higher than they were in 1923! For this circumstance the bureau claims some credit, for "the bureau started many years ago in its efforts to hold down public costs," it is explained in a recent bulletin.

Comparisons made on a per capita basis show that there has been a per capita decrease of 8 per cent in school and sanitation departments since 1923, and 2, 7, and 9 per cent increases in the highway, recreation, and police departments respectively. Greatest increases have been in administrative costs, fire department, building inspections, and a miscellaneous item which includes pensions and judgments. Total city and school costs have increased but 4 per cent in the past fifteen years.

In contrast, other research bureaus are less sanguine about governmental costs. "Storm warnings" are hoisted by the **Atlantic City Survey Commission,** which finds taxes going up and a composite index of local business activity going down. The **Civic Federation and Bureau of Public Efficiency** in Chicago warns in headlines that "Conservative Appropriations Alone Can Curb Tax Increases." The **Bureau of Municipal Research of Philadelphia,** a city which is now in the throes of trying to get a city manager charter authorized by the legislature, points out "Huge Budget Gap" and "The Need for More Revenue."

And, by way of final contrast, the **Civic Research Institute of Kansas City** titles a bulletin "Predicting a Million Dollar County Cash Surplus," due to a new budget law.

Recent News Reviewed



Manager Plan Interest Reaches New High

Many Cities Want Charter Changes

Wheeling Discusses Its Finances

By H. M. OLMSTED

An ordinance has been introduced into the common council of Madison, Wisconsin, to provide for the city manager plan of government. The ordinance carries with it a resolution which would submit the question to a vote of the people on April 4th. If the referendum is approved, the manager plan will go into effect in April 1940.

A revised charter is now in the hands of the Duluth Charter Commission. It is hoped to schedule the election for March 18th, same date as the city primary election.

The League of Women Voters of Athens, Georgia, plan to petition their legislators to introduce into the present session of the legislature a bill providing for a council-manager form of government for that city. The new charter would be submitted to the voters on its passage by the legislature. According to the *Athens Banner-Herald,* the proposed charter follows closely the model city charter of the National Municipal League.

A home rule bill applying to Little Rock only has recently been approved by the House Cities and Towns Committee of the Arkansas legislature. The bill, if passed, will provide that any group of citizens may petition for an election on whether or not a manager charter shall be drawn and submitted to the voters. The petition must be signed by qualified voters representing 15 per cent of the votes cast at the last preceding municipal election. Candidates for a seven-member charter committee would be placed in nomination and elected at the same time.

There is much interest in the manager plan in Ogdensburg, New York, and Laconia, New Hampshire, where County Commissioner-elect Charles E. Carroll has estimated that savings under a manager charter would run as high as $100,000. San Antonio, Texas; Santa Fe, New Mexico; Santa Monica, California; and Hugo, Oklahoma, are also investigating the plan.

State Senator William E. Jenner has introduced into the Indiana legislature a bill which, if passed, would make the manager plan optional for all first, second, third, and fourth class cities in the state. The measure provides that citizens of any of these cities may petition for an election to determine whether the manager plan shall be adopted. The plan calls for the election of a council of seven by proportional representation and the appointment of a manager by that council.

Another Indiana bill provides for creation of a commission of seven to study the manager plan and report to the Governor on or before October 1, 1940, regarding its proposed legislation.

Citizens of Indianapolis, Muncie, Anderson, and Seymour are showing interest in the movement to secure a city manager enabling act.

A proposed new charter for Providence, Rhode Island, providing the city manager plan and proportional representation, has recently been introduced into the legislature. (See also page 177.) In the neighboring city of Pawtucket, the manager plan and P. R. were advocated at a recent meeting.

Leominster, Melrose, and Dedham, Massachusetts, are evidencing interest in the plan.

In Pittsfield, Maine, at a citizens' meeting held recently, a tentative draft of a town-manager charter was presented for explanation, suggestions, and criticism, preparatory to the petitioning of the legislature for permission to adopt such a charter.

A proposed charter for Waterbury has been introduced into the Connecticut legislature. The bill provides for the city manager plan with a council elected by proportional representation. If passed by the legislature, the charter will be submitted to a referendum vote within the city.

The Union League Club of Chicago is seeking to have various Illinois members, outside of Chicago, work with its city manager committee, sound out sentiment in their respective localities for the manager plan, and inform legislators of interest in the plan, as an aid to obtaining a city manager enabling act. The first of a series of Chicago Town Meeting broadcasts inaugurated by NBC will be "Is the City Manager Plan Practicable for Chicago." Participants will include Judge Oscar Nelson of the Superior Court, who is opposed to the plan, and Dr. A. R. Hatton of Northwestern University and Roger Dunn, executive director of the Chicago City Manager Committee, who will support manager government.

In Webster City, Iowa, a petition to abolish the manager plan has been circulated for presentation to the council.

Cape Girardeau, Missouri, is reported as showing interest in the manager plan.

County manager enabling legislation is being considered in North Dakota, where the new governor has expressed interest in the matter.

Public Administration Service, which recently made a survey of Concord, New Hampshire, has recommended the manager plan for that city. The mayor has appointed a committee to study the charter and recommend alterations.

Several amendments to the Knoxville, Tennessee, charter, prepared by the City Charter Commission and approved by the City Council on January 17th, have been introduced in the legislature. The most important of the suggested amendments is that restoring Knoxville's former city manager form of government. A bill which would give city manager government to Johnson City, Tennessee, was introduced into the legislature on January 23rd.

In Birmingham, Alabama, the *Post* reports that a bill proposing a referendum vote on manager government for that city is being studied by a state legislative committee.

In Fair Lawn, New Jersey, Mayor Theodore K. Ferry has invited fourteen civic organizations to study the advisability of the manager plan for that municipality.

A council committee at Palestine, Texas, is studying the plan.

The Philadelphia Charter Commission has submitted to the Governor and the General Assembly of Pennsylvania a 121-page report recommending the council-manager plan for that city. If the proposed charter is passed by the legislature and approved by the voters at a special referendum in the spring it will go into effect in January, 1940.

In Pittsburgh, Pennsylvania, on January 16th, representatives of a group of district organizations meeting at the call of Mrs. R. T. Smith, president of the Allegheny County League of Women Voters, renewed the drive for establishment of the city manager plan with proportional representation for Pittsburgh. Organizations represented included the Congress of Clubs, the Civic Club, the Chamber of Commerce, the Urban League, and the Allegheny County Real Estate Owners and Taxpayers' League.

A bill making optional the city manager plan for third class cities in Pennsylvania has been introduced into the legislature. Johnstown citizens are showing considerable interest in the passage of this bill.

A manager ordinance is being seriously considered by the borough council of Jenkintown, Pennsylvania.

In Lehighton, Pennsylvania, a campaign for the manager plan is reported to be under way.

Wheeling Holds Notable Discussion of Local Finances

The West Virginia League of Municipalities reports a civic meeting of outstanding interest and effectiveness last December in the city of Wheeling, where officials and citizens coöperated to find a solution for local financial problems. To quote from the League's *News Bulletin*:

"The meeting was especially arranged by the Wheeling City Council following adoption of a resolution fixing the date and inviting Ohio County's state senator and four members of the House of Delegates to meet representatives chosen by leading civic and community organizations for a round-table study, with municipal officials, of the plight of cities. The fine spirit of the conference was amazing to an outside observer. Interest was intense in the vital issues and there was no quibbling over petty topics.

"Citizens and their organization representatives were there filling every available seat of the council chamber. They wanted to know why city funds for maintenance of essential public services were inadequate. Senator Sweeney and Delegates Cummins, Ewing, Hannig, and Johnson were there, all the Ohio County state legislators. They wanted to know what legislative acts were responsible for the great distress prevailing, and what remedial legislation was practical and possible. All city officials were present, and they were fully prepared to explain in detail the financial difficulties of their stewardship, point out how their operating revenues had been disproportionately slashed, show the added burdens piled upon them, and suggest the necessary corrective measures. . . .

"Wheeling's story was vividly told by Mayor Mathison, Councilmen Cotton, Duffy, Gaydosh, Goodwin, Neff, Rosenbloom, and Shockley, City Manager Humphrey, City Engineer Smith, and City Solicitor McCamic. Councilman William J. Cotton, former state legislator and father of the conference resolution, scored many forceful points in behalf of cities during a splendidly prepared address.

"As delegates from civic organizations and citizen associations were called upon, each unhesitatingly joined the discussion, admitted that cities must have more money for essential services, praised the league legislative program calling for no new taxes but a municipal share of state imposts now being collected."

Citizens and legislators alike pledged efforts to obtain fair revenue treatment of cities by the state.

The league called upon other communities in the state to emulate Wheeling, both as a stimulus to good municipal government and as part of a concerted effort to obtain fair treatment of city revenue problems by the legislature.

St. Louis Mayor Appeals to Public

More than 180,000 copies of *Your Business*, four-page newspaper edited by Mayor Dickmann of St. Louis, Missouri, were

distributed to the homes in that city in December as a means of eliciting suggestions for providing funds for necessary services without increasing taxes. Despite economies claimed to total $12,000,000, relief and other welfare demands have increased, and the city shows a million-dollar deficit.

Pan American Intermunicipal Cooperation Commission

In accordance with a resolution of the first Pan American Municipal Congress, held in Havana, Cuba, last November,[1] Dr. Antonio B. Mendieta, president of the Congress and mayor of Havana, announced on January 19th the appointment of a Pan American Intermunicipal Cooperation Commission. It is to compile and distribute information among municipalities concerning administrative problems, select the site of the next congress, and strive for closer relations between the people of the cities in the Americas. It consists of nine members, each from a different country. The member from the United States is Mayor Daniel W. Hoan of Milwaukee.

Greater Newcastle—a Unified Australian Municipality

Despite agitations and investigations extending over forty years, the municipal government of Australian cities is still chaotic and uncoördinated. The capital of Queensland alone among the metropolitan cities of Australia has unified its municipal government. Greater Brisbane was launched in 1925 and embraces within its boundaries an area of 385 square miles. The metropolitan area of Sydney, with a million and a quarter inhabitants, is still governed by sixty separate municipal authorities, as well as by numerous state-created *ad hoc* bodies administering various service functions.

Services which in other countries are supplied by local bodies are in Australia generally provided by the central governments, state and federal. For example, the state governments own and administer the railway systems, the metropolitan street tramways and omnibus services, the water and sewerage systems; they administer education and police, build and regulate hospitals, construct and maintain main roads and water conservation and irrigation projects, and regulate harbor traffic and dredge services. Whenever any new service has to be provided it is not to the local governing authorities that we turn, but to new authorities created *ad hoc*. Hence we have a chaos of agencies, overlapping areas, and a multiplicity of rates and charges.

To persuade the government to undertake the consolidation of a metropolitan area is therefore an achievement, and as such was hailed the granting, as from April 1938, of a new charter for the industrial city of Newcastle, the second largest city in New South Wales.

By the Greater Newcastle Act, eleven municipalities and parts of two shires were consolidated into a single municipal area. The Greater Newcastle Council takes over an area of thirty-five square miles, with a population of 250,000, a ratable value upon an unimproved capital basis of £7,000,000 and an income of £580,000, including the revenue of the electricity supply undertaking.

The new council consists of twenty-one aldermen, instead of 117 under the old system, three being elected from each of seven wards. There is no property qualification for aldermen, and the franchise is enjoyed by all enrolled adults of twenty-one years and over who occupy a dwelling, and by all persons who own property.[1]

[1]See Rowland Egger, "Pan American Congress of Municipalities," NATIONAL MUNICIPAL REVIEW, January 1939.

[1]That is to say, an adult who lives in a ward may vote, and an owner may vote once in each ward in which he owns property. An owner-adult has only one vote in the ward in which he resides.

The new council has taken over all the assets and liabilities of the displaced councils, and a uniform system of rating has been applied, subject however to the provision that for the years 1938 and 1939 no greater rate can be levied in the area than was levied by the displaced councils for the year 1937. This was a concession to the ratepayers of the city of Newcastle, which had the lowest rate for the amalgamated area and possessed a preponderating share of ratable property. The rates varied from 4½d. in the pound in Newcastle to 7½d. in the suburbs.

In addition to the ordinary domestic services, the new council has taken over the generation and supply of electric current for the whole area, the abattoirs and meat industry, and on a date to be proclaimed may take over the trams and motor omnibus services. It also elects five members to the Newcastle and Hunter River District Water Supply and Sewerage Board. It is expected that the council will in the future take over the administration of the Port of Newcastle, which is already the third largest shipping center in Australia.

The council is organized on traditional British lines, i.e., it elects its mayor from among the members of the council, and distributes its work among committees, each presided over by a vice-chairman, the mayor being *ex officio* chairman of all committees. An innovation for New South Wales is a provision to allow the coöption of citizens to the several council committees, but unlike the British system, such coöpted members are not allowed to vote.

The chief administrative officer of the council is the town clerk. Proposals for the appointment of a city manager were considered and rejected, which reflects the general unwillingness to depart from traditional procedure. The professional officers of the council, e.g. the city engineer, the electrical engineer, and the sanitary surveyor, are appointed by the council and must possess qualifications prescribed by the Local Government Act. For the remainder of the staff no qualifications are prescribed, and appointments are part of the patronage of the council. All officials enjoy permanence of tenure, and qualify for superannuation benefits. There is no civil service commission to hold examinations or to make appointments.

The creation of Greater Newcastle will afford a much needed opportunity for a unified municipal control of an area which is destined to be a very important industrial center. Since the Great War, the population has trebled itself. In the area will be found the largest steel and iron works in the British dominions, and in it, or contiguous to the boundaries of Greater Newcastle, are coal deposits among the most extensive in the world.

F. A. Bland

Sydney, Australia

New York Governor Asks Wide Anti-Corruption Powers

In a special message to the legislature on January 18th Governor Herbert H. Lehman sought the enactment of a broad program covering the following six points:

1. Additional grounds for superseding local district attorneys, and the appointment of special prosecutors by the governor instead of by the attorney-general.

2. Power of the governor to appoint a commissioner, as under the present Moreland Act relating to investigation of state agencies, to investigate and report to the governor on the affairs of local governments.

3. The state controller, now empowered to investigate the accounts of fiscal officers of localities, to be required to turn over any evidence of irregularities to the governor, the attorney-general, and the local district attorney.

4. A constant check on the diligence of district attorneys by requiring a grand jury in each county to investigate annually the disposition made of all indictments over a year old.

5. A requirement that district attorneys, or their assistants, in the more populous counties, be prohibited from the private practice of law.

6. The establishment of a state department of justice along the lines of the federal department.

Virginia Short Courses Continued

The Virginia League of Municipalities, in collaboration with its associated professional groups, is continuing its program of short courses for municipal officials and employees. Some of these are conducted in coöperation with the state department of education with grants made under the George-Deen Act. A two-day school for finance officers is expected to be held in the latter part of March at Richmond, conducted by Carl H. Chatters, executive director of the Municipal Finance Officers' Association. Courses to be given later include those for utility operators, police recruits, fire instructors and volunteer firemen, the courses for the last-mentioned to be given by traveling instructors.

In-service Training Schools for City Planners

The Municipal Training Institute of New York State, administered by the New York State Conference of Mayors, is conducting two regional training schools for officials and employees of municipal, regional, and state planning agencies in that state, and has invited planners in the service of the federal government and from neighboring states to enroll. The first school was held in Rochester, January 25th, 26th, and 27th, and the second meets in New York City February 7th, 8th and 9th. An outstanding instructional staff, headed by Wayne D. Heydecker, director of state planning at Albany, was secured.

Voters Affirm More State Referenda Than Local

According to a statistical analysis by the Bureau of the Census, 115 out of 203, or 57 per cent, of state propositions voted upon in the 1938 elections, were approved, while only 42 per cent of 222 city-proposed questions were approved.

Of the 203 state proposals, 154 were constitutional amendments, nearly two-thirds of which, or ninety-seven, were adopted; of the other forty-nine proposals, not constitutional matters, only eighteen were approved.

Nearly two-thirds (133) of the 203 state propositions dealt with the organization or operation of the state governments; of the others, thirty-one were state-wide provisions relating to local government, and thirty-nine referred to specifically named localities. Proposed bond issues or other debt authorizations numbered forty-three, mostly affecting specific localities; thirty-two of these were adopted. Out of twenty-one tax propositions eleven were approved.

Over 37 per cent (seventy-six) of the 203 state proposals were concentrated in three states: Louisiana had twenty-eight, California twenty-five, and Georgia twenty-three. In twelve states no propositions were submitted.

Ohio Civil Service Council Propounds Legislation

Reorganization of the State Civil Service Commission, elimination of many of the exemptions that have crept into the civil service law through the years, the strengthening of the prohibition against political activity, and other needed legislative changes are planned by the Ohio Civil Service Council, which was organized in recent months "to promote, foster, and defend the merit system of the state of Ohio and the political subdivisions thereof." It is made up of delegates from the various state civic associations and a number of local organizations, and is the outgrowth of a conference originally called by the Ohio Institute. Robert A. Weaver, until recently president of the Citizens League

of Cleveland, is president of the council, and Robert T. Mason is managing director, at 150 East Broad Street, Columbus.

Retirement Systems for Employees

State and municipal governments are accelerating their plans for employee retirement benefit systems, according to the Municipal Finance Officers' Association of the United States and Canada.

Although nearly four million government employees are now included in retirement systems, the majority of these are classified employees in the federal service and public school teachers. Retirement systems exist in fewer than ten states and in only 519 cities of more than ten thousand population. Many of the city retirement systems cover only policemen and firemen.

Retirement legislation is planned for proposal in at least nine states holding sessions in 1939. Systems for state employees will be proposed in Illinois, Wisconsin, and perhaps Michigan. Plans for state-wide systems whereby local governments may participate in a state fund or in a joint municipal fund will be introduced in California, Illinois, North Carolina, Pennsylvania, and Wisconsin. Teacher retirement plans will be suggested in Nebraska and New Mexico, and Vermont will consider a retirement system for policemen.

More than one-fifth of the cities set up their systems within the past five years, according to a recent survey.

Chief concern of the local governments establishing retirement systems is to set up an actuarial reserve plan which is economical and will assure benefit payments, the association said. Because a large number of participants is necessary for an economical and actuarially sound system, municipalities are reported to be turning to state-wide plans administered jointly by participating municipalities or by the state.

A Regional Traffic Engineering Institute

Municipal engineering officials of New Jersey and near-by states will attend a two-weeks interstate traffic safety survey course of the Regional Engineering Institute, at Rutgers University, New Brunswick, New Jersey, February 13th to 15th. The institute is stated to be the first of its kind, and is presented by the Rutgers Bureau of Public Safety and the Rutgers College of Engineering, in coöperation with the Institute of Traffic Engineers, to stimulate a more active interest in traffic engineering among organizations and communities with a problem of traffic control and safety.

More Federal-State Cooperation Urged For Farm Labor Problem

Close coördination of federal and state employment services in the handling of farm labor is recommended as a result of a study recently completed under the auspices of the Public Administration Committee of the Social Science Research Council.

A Board to Supervise Federal Real Estate

President Roosevelt has created a Federal Real Estate Board to record government land holdings, pass on new acquisitions, determine the effect of federal ownership of land on tax rolls of counties or other taxing units, and make recommendations regarding that problem and also as to the treatment of surplus holdings. The board consists of the Secretaries of Agriculture, Commerce, Interior, Justice, Navy, and War, and the heads of the TVA, the Treasury Department Procurement Division, and the Bureau of the Budget. It is created as a result of a study by a committee of the National Emergency Council.

County Reorganization Discussed in Ohio and New York City

Atlanta and Fulton County Seek Consolidation

Tennessee Counties in Electric Business

By PAUL W. WAGER

When the voters of Ohio in 1933 adopted the amendments to the state constitution granting limited home rule to the counties of the state they provided that:

> The General Assembly shall provide by general law for the organization and government of counties, and may provide by general law for alternative forms of county government.

Such alternative forms were to be submitted in the manner provided by law to the voters of any county for adoption. More than five years have passed and the General Assembly has not yet enacted any such alternative forms of government.

In 1934 the County Home Rule Association, which fostered the amendment, prepared a bill providing for four alternative forms of county government. The proposal was introduced in the 1935 session of the General Assembly but died in a house committee. In 1936 the Citizens League of Cleveland prepared a much simpler bill containing two alternative forms—a county mayor form and a county manager form—but it was not acceptable to a conference of civic organizations of the state. The conference favored a bill offering five alternative forms, which was introduced in the 1938 legislature but like the earlier bill was killed in committee.

This year the Citizens League, as announced in its bulletin, *Greater Cleveland*, has revised slightly its bill, containing the two alternative forms, and it has been or will be introduced in the present session of the General Assembly. The main features of the bill are as follows:

1. A county council of three, five, or seven members (depending upon population) which would be the policy determining authority in the county, taking the place of the board of county commissioners but with no more authority.
2. A county chief executive (either elective or appointive) who would have authority to appoint the heads of the six administrative departments and to direct and be responsible for the administration of county affairs.
3. Six major administrative departments—law, finance, public works, public health and welfare, public safety, and public records.
4. A county civil service commission or authority in the council to contract with an existing municipal civil service commission to administer the merit system in the county.
5. A county planning commission with broad powers to plan and direct the future physical development of the county.
6. The usual miscellaneous provisions regarding the budget, purchases and supplies, contracts, transfer of functions, etc.

New County Reorganization Bills Offered in New York City

Vice Chairman Cashmore has introduced in the New York City Council three new county reorganization bills as substitutes for the Earle bills[1] which were defeated last year. His bills propose to abolish the offices of register and commissioner of records and the transfer of their duties to the county clerks. They also propose to abolish the sheriffs as elective officers and transfer their duties to the Supreme Court, to be exercised by a marshall in each county appointed by the resident justice. In each case, Mr. Cashmore insists, the abolition of elective offices must be approved by referendum of the voters

[1]See also NATIONAL MUNICIPAL REVIEW for January 1939, page 62.

as a matter of law. He said no bills would be backed by the Democrats to abolish the office of commissioner of jurors because the state constitution already provided for the transfer of the duties of this office to the county clerks. Similarly, he said, the Democrats did not favor abolition of the public administrators because they were recognized as officers of the courts.

Newbold Morris, president of the Council, criticized the bills on the ground that they merely perpetuated division of responsibility. He said, "The Democratic majority naturally feels that the jobs in the county offices will be more secure under the courts than under the eagle eye of the present Mayor of the City of New York."

Adapted from *New York Times*

City-County Consolidation Proposed for Atlanta and Fulton County, Georgia

The Atlanta, Georgia, *Journal* of January 18th reports that leaders of the Atlanta Junior Chamber of Commerce have organized to petition the legislature on behalf of a proposal to consolidate Atlanta and Fulton County. They will work with the One Government League, recently organized to push the matter of securing a "one government" charter for the city and county. The proposed charter must first be passed by the legislature and then submitted to the voters of the territory affected.[1]

Colorado Seeks Release from Constitutional Straitjacket

Senator Rudolph Johnson has introduced in the Colorado legislature a resolution proposing an amendment to the state constitution which would free county government from the rigid uniformity now required. The present constitution provides that all county officers, some ten or more in number, must be elected independently every two years. The proposed amendment would simply repeal the existing provisions and provide as follows: "The General Assembly shall provide by law for county officers and county government." This would permit the legislature to provide for optional forms of county government.

Tennessee Counties Distribute Electric Power

Weakley and Carroll Counties, in northwest Tennessee, assumed the function, in December 1938, of selling electricity generated by the Tennessee Valley Authority. They are the first counties to contract with the TVA for the purchase and resale of power, and in so far as we know, county power systems elsewhere in the United States are limited to Crisp County, Georgia, and Greenwood County, South Carolina. The addition of power distribution to the group of newer county functions may be regarded as an important development in local government. Significant factors in the situation that merit continued attention are the use of revenue bonds, the advisory functions which the TVA may exercise, and the required payments in lieu of taxes to governmental units other than that owning the utility. The success of these county ventures into power distribution may determine a new trend in public ownership of electric utilities.

The distribution systems now owned by Weakley and Carroll Counties were acquired from the Kentucky-Tennessee Light and Power Company on December 28, 1938. The remainder of the company's electric property was purchased by the cities of Paris and Clarksville, and by two coöperatives, the Gibson County and the Cumberland electric membership corporations.

Weakley and Carroll Counties took advantage of the Municipal Electric Plant Act of 1935, which empowers counties and

[1]See also this issue of REVIEW, page 101.

cities to acquire and operate electric utilities. Revenue bonds, optional under the statute, were selected by both counties to finance their utility systems. Weakley County issued serial bonds amounting to $275,000. Carroll County authorized a $300,000 bond issue, of which $175,000 has been sold to acquire the present properties. The remaining bonds authorized are to finance the purchase of additional distribution lines from private companies in the area.

The electric department of each county is a separate organization, controlled by a public utility board as provided in the enabling statute. This board, appointed by the chairman of the county court with the consent of that body, consists of three members in Carroll County and five members in Weakley County. A member of the county court serves on each board. The board employs a superintendent who enjoys rather wide statutory freedom in his administration of the personnel and activities of the department. The boards are relatively independent in managing the utilities (although members are removable by the county court), but they lack the power to issue bonds and the contracts they executed with the TVA were ratified by the county courts.

The number of consumers of all types totaled 2,009 in the Weakley County system, and 1,323 in the Carroll County system at the time of the transfer of ownership. Weakley County serves the incorporated municipalities (for street lighting, waterworks, etc.) as well as the resident consumers of Martin, Dresden, Greenfield, Sharon, and Gleason. Carroll County likewise extends the same service to the cities and residents of Huntington, McKenzie, and Trezevant. This form of city-county relationship is particularly noteworthy. Under the Municipal Electric Plant Act of 1935 any governmental unit wishing to operate an electric utility in any other local government jurisdiction must secure the consent of the latter.

The contracts between the TVA and the counties are similar to the standard power contract that the authority has executed with many municipalities. Resale rate schedules and stipulations regarding disposition of revenues are set forth. The electric department undertakes to segregate its moneys from other county funds and to follow the accounting system recommended by the authority, which may render advisory assistance in fiscal and accounting matters. An innovation in the contract is the provision obligating the authority to render advice "in problems of personnel and administration" if requested.

Moreover, certain payments from the electric department to governmental units are prescribed. The Carroll County electric department, for example, is obliged to pay Carroll County a return on the county's investment in the utility system. It is also required to pay Carroll County, other counties, municipalities, and school districts a sum in lieu of taxes, such sum to be determined by applying the tax rate of the respective jurisdiction to the value of the utility property located therein.

Lyndon E. Abbott
Tennessee Valley Authority

Local Laws Would Be Banned in North Carolina

A constitutional amendment prohibiting the General Assembly of North Carolina from passing certain types of special and local laws is recommended by a commission created by the last legislature to study the question.

Asserting that the practice of passing laws for individual counties and municipalities impeded seriously the progress of the legislature, the commission estimated that the amendment would reduce the work of the assembly by two-thirds. The report warned, however, that a more thorough study of the situation should be made before the proposed amendment is drafted. It suggested as a first step the codification

of the general statutes pertaining to counties and municipalities, crimes and punishments, civil and criminal procedure, schools and education, elections, and other subjects that might be covered by acts of uniform application. Upon completion of the codification, it proposed that an amendment be submitted that would prohibit the General Assembly from the enactment of local legislation invading these fields.

Voting Machines Adopted by Tennessee County

A proposed bond issue, not to exceed $350,000, for the purchase of voting machines for Davidson County (Nashville), Tennessee, was approved by the voters last November 8th. The vote was 5,284 for and 2,383 against the bonds. The *Nashville Banner* as well as numerous civic organizations supported the passage of the measure. Since all polls were furnished with voting machines at the election, the choice of the electorate for the machines is unmistakable. Issuance of the bonds will likely be deferred until near the next balloting date.

LYNDON E. ABBOTT
Tennessee Valley Authority

County Homes Being Closed

Largely as a result of the inauguration of the social security program numerous county homes throughout the country have been closed. Alabama has closed forty-eight of its sixty-one institutions, Georgia twenty-two out of fifty-seven, and Iowa, Connecticut, Tennessee, North Carolina, Minnesota, West Virginia, Delaware, and probably other states have closed some of their almshouses. Virginia as early as 1925 and without the benefit of the social security program provided district hospital-homes with hospital equipment to replace its county homes.

Spotlight Turned on Relief

News of Wisconsin Cities

By WADE S. SMITH

First major action of the new House of Representatives after Congress convened was the slashing of $150,000,000 from the President's $875,000,000 supplementary appropriation bill requested to carry the Works Progress Administration until June 30th. Spokesmen for relief groups, labor organizations, and the United States Conference of Mayors joined in opposition to the reduction, but the bill was approved by the Senate Appropriations Committee at the $725,000,000 figure, although with the provision that additional funds might be provided before the close of the fiscal year should the unemployment emergency require. The Senate committee also provided that dismissals from WPA rolls prior to April 1st must not exceed 5 per cent of the present rolls.

Special significance of the "economy drive" for local government and local taxpayers lies in the fact that since its inception WPA (and its predecessor, CWA) has measurably lightened the relief drain on states, counties, and cities. "Work relief," with the federal government putting up the money for payrolls for the unemployed and the locality putting up what has been quite generally very minor sums for materials, rights of way, etc., has aimed to provide for the so-called "employables" among those needing public assistance. In many instances, particularly in rural or semi-rural areas, WPA has carried the lion's share of emergency relief, supplemented only by mothers' and children's allotments and the normal charitable and welfare facilities of the localities. In practically all cases the load carried by WPA has very drastically reduced the emergency relief cost which would otherwise have fallen upon the locality or the state and locality.

Inasmuch as preliminary information shows that our cities and counties generally met with financial reverses during 1938, with the less favorable showing in comparison with 1937 and 1936 demonstrably due to increased relief requirements in many instances, the implications for local finance inherent in the slashing in funds available for WPA are self-evident.

The action of the Senate Appropriations Committee in providing for a new appeal for funds, should that be necessary, as well as its efforts to prevent wholesale discharges prior to the advent of warmer weather, give some indication that the Senate body realizes fully the possible consequences of curtailment without adequate study of the means by which the localities are to assume the burden. None the less, the drive toward reduction in federal outlays for relief purposes is unmistakable, and is sure to be followed by serious budgetary troubles in many states, counties, and municipalities, all in degree varying with the extent to which the local units are at present carrying the relief cost.

New Jersey Faces Relief Crisis

Of the many difficulties facing New Jersey and its municipalities that paramount recently has been how to finance relief. The present problem began in 1938 when relief costs were underestimated by one-third. Total charges for the year were anticipated at $16,000,000. Of this the state agreed to pay $12,000,000, leaving the remaining 25 per cent, or $4,000,000, to local governments. But relief expenditures, instead of totaling $16,000,000, were about $23,500,000.

The resultant deficit of about $7,500,000 presents both state and municipalities with a difficult problem. For the state, if this agency is to meet the whole deficit and a large part of 1939 charges as well, it probably means increased taxation of some sort, since all other state moneys available last year were utilized for relief as fully as possible. Unfortunately, both major parties at Trenton have pledged themselves to "no new taxation." It thus remains to be seen whether the legislature will throw over its pledges and tax for relief, or turn a large share of the relief load back to the municipalities. New taxes to produce roughly $19,000,000—about $7,500,000 to cover the 1938 deficit so that the state can assume it and $12,000,000 for the state's share in 1939—have been recommended by the State Relief Commission, but specific levies have not as yet been suggested.

If no attempt is made to increase state revenues appropriable for relief, the relief problem will be a serious one for many cities, boroughs, and townships. In the first place the relief burden falls heavily on many communities least able to bear it financially—communities with a large number of relief clients and generally low taxpaying capacity resulting in heavy tax delinquency. Some of these carried over large relief deficits from 1938 because requirements were greater than expected and because state reimbursements for relief extended only to July 1st. While these deficits to be included in 1939 budgets may be offset to some extent by 1938 reimbursements yet to be made by the state, and while the state legislature on January 16th adopted under suspension of the rules a bill permitting the funding of unpaid 1938 relief claims regardless of present legal restrictions on new borrowing, it seems probable that the municipalities must share some of the burden this year for the 1938 costs.

Besides making additional provision for 1938 costs in their 1939 budgets—and in future budgets if the costs are funded—local units must provide for 1939 relief charges also. The relief commission has estimated these at $22,000,000, with the state to assume $12,000,000 and the municipalities $10,000,000—an increase of 150 per cent over the municipalities' share as estimated for 1938. This will mean additional and burdensome taxation for many

communities already struggling with high tax rates.

Municipal operating results in the state in 1938 were in general unsatisfactory in placing the units in a strong position to assume larger relief costs. The high debt burden was reduced slightly during the year, with little new borrowing, and some communities funded all their operating deficits to begin "cash basis" operations under the new budget act. Collections on the 1938 tax levies generally were higher than in 1937, but delinquent tax receipts were lower, reflecting the fact that the volume of collectible arrears is declining and that a large proportion of the remaining tax delinquencies in many places will require liquidation by foreclosure and resale of property, a process which will be an extended one.

Surpluses created by refinancing programs of 1934-36 were largely used up in the last two years, and in 1938 capital fund cash surpluses were spent entirely to reduce general taxation charges in many places. Where assessment bonds had previously been refunded assessment cash was also used in some instances. Neither of these reservoirs of cash can be called on this year to lighten the tax levy in those units where they were used. Likewise, general fund cash surpluses available for 1939 will be generally smaller. The net result of this exhaustion of surpluses and heavier relief costs will probably be higher tax rates in many of the New Jersey municipalities. Other places, with no relief troubles, some of their surplus intact, and good tax collections in 1938, begin permanent "cash basis" operations with prospects of a tax rate in line with 1938.

ROBERT A. HALL

New York City

Wisconsin Underwrites Municipalities' Deposits

The state fund in which the deposits of all governmental units in Wisconsin are insured has finally wiped out all deficits and is now beginning to accumulate some reserves. The State Board of Deposits was created by the Wisconsin legislature at the beginning of the depression at a time when surety bonds covering public deposits were being cancelled and public depositors were left without any protection. Shortly after this fund was established the extensive bank failures which occurred in Wisconsin as part of the nation-wide situation resulted in a very large volume of public deposits being tied up.

The State Board of Deposits on several occasions procured large loans from the Reconstruction Finance Corporation and later from a group of Wisconsin banks which permitted the 100 per cent payment of all claims of public depositors against banks. These loans have gradually been paid off by the State Board of Deposits largely from proceeds of the liquidation of bank assets and partly through premiums paid by public depositors.

In the beginning all public depositors in the state were required to pay into the state fund at the rate of 2 per cent per annum on all public deposits. This was subsequently reduced to 1 per cent. Effective January 1, 1939, the premium payable by public depositors will be one-half of 1 per cent and in addition there will be exempted all funds protected by the Federal Deposit Insurance Corporation.

On January 1st the State Board of Deposits will have cash assets of approximately $300,000 together with claims against banks conservatively estimated to have a sound liquidation value of $1,200,000.

It is anticipated that the new rate will produce an additional income of about $225,000 annually without including interest earned. The average gross loss incurred by the State Board of Deposits for each of the last three years has been less than $10,000 annually and experience has shown that approximately 75 per cent

of such losses are eventually recovered from the bank assets. The overhead cost of operating the fund has been only slightly more than $10,000 annually. For that reason Wisconsin municipalities vigorously urge that the rate be reduced to one-twentieth of 1 per cent. They have pointed out that the present assets were sufficient to pay losses for four hundred years upon the basis of the last three years' losses.

There will be a complete change in the membership of the State Board of Deposits in January 1939, and Wisconsin municipalities hope that they will agree to further reduce the premium payable by public depositors.

FREDERICK N. MACMILLIN
League of Wisconsin Municipalities

Personal Property Assessed on Income Basis

In cases arising in Fond du Lac and Stevens Point, Wisconsin, recent circuit court decisions have upheld the action of city assessors in assessing equipment owned by the International Business Machines Corporation upon the basis of the income potentialities. The assessors in valuing these machines for the purpose of general property taxation rejected the contention of the company that the physical value of the property only should be considered. These cases will undoubtedly be appealed to the State Supreme Court.

In the Fond du Lac case the company contended that the property was valued at $3,600 for assessment purposes but admitted an income from this property of approximately $10,000 yearly. Judge Van Pelt in upholding the assessment of $42,000 included the following statement in his decision:

"I conclude that there is credible evidence to support the finding of the board of review. The method of assessment in this case is unusual, but we have an unsual case to assess. There appears to be no market value for these machines. The assessor found that the tabulating machinery in question produces a very large return to its owners when comparing it with manufacturing costs. He took this large income into consideration in making his assessment; he took further into consideration an inherent value based upon certain patent rights."

FREDERICK N. MACMILLIN
League of Wisconsin Municipalities

Kentucky Court Limits Spending

For more than thirty years the Court of Appeals of Kentucky has placed an unusual interpretation on the following provision of the state constitution (section 157): "No county, city, town, taxing district, or other municipality shall be authorized or permitted to become indebted in any manner or for any purpose to an amount exceeding in any year the income and revenue provided for such year without the assent of two-thirds of the voters thereof, voting at an election to be held for that purpose." In effect, the court has held that if any taxing district levied less than the maximum tax rate the district could exceed the revenue produced provided it did not exceed the amount which would have been produced had the maximum rate authorized by the constitution and statutes been levied.

In an extended opinion handed down on January 18th (*Payne et al.* v. *the City of Covington*) the court expressly overruled this long line of cases and held that a taxing district "shall contract no debts beyond the amount of revenue which they themselves provide under authority given to them by the constitution or statutes legally acted thereunder." In thus deciding this important constitutional question, the court, after citing numerous cases to sustain its authority, held that in no respect should the present decision be construed retrospectively. Even in the case at bar it was held that the indebtedness was legally incurred. However, "the various taxing units of the commonwealth embraced in the two sections of the con-

stitution supra (157 and 158) shall, after this opinion becomes final, observe and be governed by the interpretations herein made."

The practical effect of the decision by the highest court in Kentucky will be minor for the moment as respects counties for the reason that practically all counties now impose the maximum levy. Some language used in the opinion, however, suggests that the court may outlaw any overspending of current revenues. In view of the general law on the subject, however, it is probable that this will not be done as respects *necessary governmental expenses* to meet emergencies.

In cities, school districts, and perhaps a few other local taxing units the immediate influence of the decision will probably be greater than in the case of counties. Many of the cities do not at the present time impose the maximum legal tax rate and the present decision would tend to restrict the financial activities of any such taxing jurisdiction.

In general, the court's unanimous decision came twenty or thirty years too late to do the greatest possible good in the counties and other taxing districts of Kentucky. Its general effect, however, for the future promises to be helpful in the control of expenditures.

JAMES W. MARTIN
Commissioner of Revenue, Kentucky

P. R. Campaigns in Four Cities

Philadelphia, Providence, New Rochelle, White Plains

By GEORGE H. HALLETT, JR.

The Philadelphia Charter Commission Tells Why It Is For P. R.

The Philadelphia Charter Commission, whose proposed charter for Philadelphia was introduced into the legislature on January 17th by Senators George Woodward, Republican, and Harry Shapiro, Democrat, has made public the following statement of its reasons for providing P. R. for the election of the council of eleven which will choose the city manager and control virtually the whole city government if the commission's recommendations are adopted:

"Proportional representation is the method of voting provided for the election of council. It differs from ordinary voting in that numbers are marked in the squares in front of the candidates' names rather than cross marks. The voter marks '1' in the square of the candidate he prefers to all others; '2' for his second choice, '3' for the next choice, and so on.

"Its superiority to ordinary voting in fundamental principle is well illustrated by the analogy of sending your child to the grocery store. You want some fruit. You prefer oranges. If they are not available, you want apples; if they also are not available, you want bananas; and so forth. So you write on a piece of paper the names of the fruits in the following order:

pears	4
apples	2
apricots	5
oranges	1
bananas	3
prunes	6

"You indicate the order of your preferences by numerals as shown above. And your little boy does the rest: he brings back the fruit you really prefer among those kinds that are available.

"After all, no voter believes that candidates are either fine or bad, with no half-way ones in between. Proportional representation, by allowing the voter to rank his choices, provides him with a method of voting worthy of his intelligence, and counts his ballot for the candidate who really needs it.

"Though casting a vote is simplicity itself, counting the ballots is, comparatively

speaking, complex. The count takes a week to ten days to complete (unless the votes are counted by machine). But that these two features are really objectionable, we are not prepared to admit. What does it matter that the automobile is an intricate mechanism if it is simple to drive and withal the best form of transportation that man can devise?

"In the councilmanic election in Philadelphia in 1935, about 45 per cent of all votes cast were wasted—they failed to elect anybody. A proportion of futile ballots as huge as that is not democracy. Councilmen are supposed to be representative.

"P. R. (proportional representation) elects a council which is the city itself, personified. Like the camera, it takes an accurate picture. Under P. R. New York City had well over 80 per cent of its votes effective in 1937, and Cincinnati's effective ballots were 90 per cent of the total cast in the same year. When these cities elected councilmen before adopting proportional representation their effective ballots were around Philadelphia's 55 per cent in its 1935 election. P. R. would have jumped the total of effective ballots in Philadelphia from 385,000 to about 600,000.

"How can P. R. accomplish this improvement? It does so, first, because a candidate who receives one-eleventh of the votes is elected. He cannot hope to win if he gets less, but he is bound to win if he gets more. It does so, second, because indicating choices permits the transfer of ballots. If one's first choice cannot hope to win, the ballot goes to one's second choice, and so on.

"Through the use of P. R. in the selection of councilmen, voting groups obtain representation in proportion to their voting strength and the composition of council, therefore, is the same as a cross section of the electorate. A voting majority receives a council majority and a voting minority cannot possibly do so. Minority representation is assured, though, unless the minority votes are so few as to be less than one-eleventh of the total. (That has never been the case in our city.)

"A prospective voter need never have the feeling that 'there is no use in voting—my vote won't count anyway.' Under the old system he was right more than one-third of the time. Under P. R. his vote will count almost nine times out of ten.

"To us that alone is worth the one criticism of P. R. which has any merit: counting the ballots costs more than under the existing system.

"We have been strongly impressed by the experience of other cities with P. R., especially in light of the problems of electing council in our own city.

"The experience of these cities (New York, Cincinnati, Toledo, Wheeling, etc.) demonstrates that a better type of candidate runs for office.

"A new and vital interest in the election of council is invariably experienced when P. R. is adopted. Especially is this true of the independent voter.

"The possibility of election fraud is greatly reduced because of the central count, because of the checks in counting that go with it, and because of the great costs and risk that would be incurred in attempting to 'steal' an election.

"The claims were advanced before us that P. R. encourages racial, religious, and economic cleavages by enabling such groups to elect councilmen, and that P. R. prevents geographic representation. Experience elsewhere does not support these arguments. Some voters will vote along racial, religious, or economic lines, but they do so no more than under any other system of voting. Concerning geographic representation, persons actually elected in P. R. contests in America have always been well distributed geographically.

"It has also been charged that P. R. facilitates the election of a council divided into blocs in which no effective majority exists. This has not been the case to date in any of the P. R. cities in the United

States. Our strong tradition of a two-party system and the psychological fact that most Americans, other things being equal, prefer to belong to large and powerful organizations, seem to preclude the formation of such blocs.

"We have found cases in which the P. R. ballot was too long. It contained too many names. In these cases it was obvious that it was too easy for extremists and publicity seekers to get on the ballot. The provisions in the proposed charter about nomination petitions and filing fee will prevent this occurring.

"And even where long ballots did exist, campaigning was easy and effective for the type of candidate who had a local reputation. It is true that, strictly speaking, the councilmen after election were never sure of just who their supporters were. This, though, had a salutary effect upon the councilmen and an equal advantage to the city. They had a city-wide viewpoint.

"P. R., it was argued before us, is a minority system. This is a mistaken notion. P. R. alone of the several methods of election in use assures that a majority of the voters will be represented by a majority of the councilmen. At the same time it provides minority representation. Thus it comes the closest to the American ideal of majority rule and equality of voting power. It is the essence of true democracy."

Senator Pepper Urges P. R. for Philadelphia

On December 29, 1938, former United States Senator George Wharton Pepper of Philadelphia made a radio address in support of the proposed Philadelphia charter which has since been reproduced in leaflet form by the Philadelphia City Charter Committee, 726 Land Title Building. After developing the advantages of the city manager plan and a small council elected from the city at large, Senator Pepper made the following plea for P. R.:

"The third point which I wish to emphasize is that under the system of proportional representation the council would be much more truly representative of all the people. Minority groups would have representation in proportion to their voting strength. The political party supported by a majority of the voters would therefore have a majority in the council but not a monopoly. Opposition would not be suppressed to smoulder as resentment but would operate openly as a balancing force.

"I doubt if anybody believes more firmly than I do in the importance of a two-party system in a representative democracy like ours. In advocating the election of councilmen by proportional representation I am not advocating something which will weaken the parties but something which will strengthen both of them by forcing each to prove its worth to the voters as a justification of its ambition to be the majority party. Government is never so good and a political party is never such an effective instrument of government as when it has to compete with a strong opposition and prove by its record that it is entitled to the confidence of a majority of the voters.

"In my opinion, as a strong party man, proportional representation in council will operate to put both parties on their mettle to compel each of them to watch its step and will make the city an exhibit of party government at its best. I could cite to you striking illustrations of the way in which proportional representation has worked in precisely this manner. I accordingly commend the proposed charter to members of both the great political parties and I urge the leaders of both of them to advocate its adoption by the legislature."

Providence Considering P. R.

A proposed P. R.—city manager charter for Providence, patterned in general after the model city charter of the National

Municipal League, has recently been introduced in the Rhode Island General Assembly. If the bill is passed, the charter will be submitted to the voters of Providence for adoption.

The charter was prepared, and support for it is being organized, by an ably led Charter League, of which Edward S. Brackett, Jr., is executive secretary, with headquarters in the Turks Head Building.

Timely support to the P. R. feature of the charter—and to the principle of a referendum on the city manager plan also —was given by the newly-elected mayor of Providence, John F. Collins, when he assumed office on January 2nd. The following is quoted from his inaugural address:

"The 50,000 citizens whose votes made me mayor want a city government that is more representative of and responsible to the individual citizen than is the case under the system established by the present city charter and its numerous amendments.

"They believe that the present ward system, in which the city is arbitrarily divided into districts which are shuttled out of one ward and into another as the purposes of political party organizations familiarly known as 'machines' call for the shuffling of voters from one ward to another, in order to give one machine or the other political partisan advantage, is the very opposite of a system designed to give the people equitable and honest representation in their municipal government. The fact that some wards are out of proportion to the population of other wards produces an inequality of representation which is gerrymandering.

"Wholly by accident, the two political groups in the city are represented in the City Council in proportion to the numbers of voters in such groups. But this is an accident, let it be repeated. The system itself lends itself to an operation under which the minority group could be excluded from all representation in this City Council. A one-vote majority in each ward would make the City Council either all Republican or all Democratic. In other words, thirteen electors in thirteen wards can exclude from representation in the city government one-half of the whole voting population, less those thirteen electors. And this can continue election after election. This should not be so.

"A reform in this phase of municipal government calls for the introduction of a system founded on a different principle from that which underlies the present majority vote in ward system.

"Speaking again as a spokesman for the 50,000, I am not commissioned to say that any particular system is acceptable to all the voters of the city. It is their right to pass judgment in properly conducted referendum on any proposition to establish a new city charter in this city. But it is my privilege to recommend to the consideration of the City Council and the citizens of Providence the proposition of introducing one of the systems of proportional representation in the election of the city government. One nation in the world, the nation that most of us know as Ireland (Eire), elects its national and municipal government under one of these systems, and the largest city in the United States, New York City, elects its City Council under one of such systems.

"I indorse the system without presuming to select the particular system which may carry that principle into application. I recommend that a proper study of the whole matter be made by some appropriate agency to be created by the City Council. . . .

"I am not prepared to say that this city should be administered by a city manager, however chosen, but I do believe that an act of the General Assembly should be secured enabling an appreciable number of the citizens of Providence, if in favor of proportional representation, city manager, or other suggested change in the city charter, to have an opportunity to submit their proposition to a referendum of all the voters of Providence."

Two More Westchester P. R. Cities?

Following the adoption of P. R. by Yonkers as part of its new city manager charter, two of the other three cities in Westchester County, New York, are giving serious consideration to its adoption.

In New Rochelle a nonpartisan proportional representation committee worked actively against the proposed constitutional ban on P. R. at the fall election and rolled up a four-to-one majority against it in that city, as compared to a two-and-a-half-to-one majority in the county and state. The committee is now preparing a P. R. charter amendment and will circulate a petition to put it on the ballot next fall. The amendment will not include the city manager plan as in Yonkers, since New Rochelle has the manager plan already. It will include a nonpartisan ballot, which was adopted some years ago by the people of the city as part of their original city manager charter and subsequently repealed by the city council without referendum.

The other city is White Plains, the county seat of Westchester County. There the Democratic party announced on January 14th that it intended to circulate petitions to put a P. R. charter amendment on the November ballot. "We want to secure for the people of White Plains the right to representation," said Alphonse V. Brisson, vice-chairman of the Democratic city committee. "Now the Democrats poll about 40 per cent of the vote and we have no representation in the common council or in any of the city departments." White Plains elects a mayor and six councilmen at large.

HOME RULE FOR COUNTIES CONTINUES ITS PROGRESS

(Continued from Page 95)

the former is of primary importance in urban areas and the latter is chiefly a rural movement, the difficulties should not be insurmountable.

Like municipal home rule and with like justification the movement in many cases is the result of urban counties wishing to escape the control of state legislatures dominated by rural elements. There is no doubt that when given broad powers, the counties may develop variations in form and diversity in procedure. But only through such variation and diversity can experiments and improvements take place.

One of the great problems of the moment is not that of diversity but rather that of encouraging the counties to use the power which is theirs. Only in so far as they are able to demonstrate their capabilities in performing their functions and in absorbing new functions thrust upon them will they be allowed to continue as major units of local government. If they can do this, no counter-trends in the form of tax and debt limitation laws and increased administrative supervision over the affairs of counties will destroy their fundamental necessity.

The county home rule movement will continue to be worthy of our best thought and attention for its value as a method of stimulating popular participation in local government.

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See also, Yearly Index to NATIONAL MUNICIPAL REVIEW.

Recent Books Reviewed

EDITED BY ELSIE S. PARKER

Tax Relations Among Governmental Units. By Roy Blough, etc. New York City, Tax Policy League (Annual Symposium Papers, 1937), 1938. vi, 226 pp. $2.75.

During the closing days of 1937 the Tax Policy League conducted a symposium at Atlantic City, New Jersey, on the general subject of tax relations among the various governmental units of the United States. More than a dozen—sixteen to be exact—of the country's leading specialists in taxation and governmental organization took part in this discussion. Their papers are printed in this volume, with a foreword by Seabury C. Mastick, chairman of the New York State Commission for the Revision of the Tax Laws and of the committee which arranged the program. "The old theoretical ideal of having each unit of government raise the revenues necessary for the maintenance of the functions which it administers is naïve and outmoded," says Mr. Mastick, "inasmuch as it clashes with the more modern concept that governmental functions should be assigned to those units which can most efficiently perform them, and that taxes should be levied by governmental units capable of assessing and collecting them effectively."

The sixteen papers are arranged under four general heads: federal-state tax relations, interstate tax relations, federal and state aid, and control of local finance. The four papers relating to federal-state tax relations are by Franklin Spencer Edmonds, Carl Shoup, James W. Martin, and Robert E. Hatton. They deal with such problems as tax conflicts, coördination of tax policies, and reciprocal immunity. Interstate tax relations are also covered by four papers prepared by Tipton R. Snavely, Harold C. Ostertag, Albert Lepawsky, and Henry F. Long. These papers are devoted to interstate coöperation and reciprocity. Federal and state aid is dealt with in three papers by Roy Blough, L. László Ecker-R, and William H. Stauffer. The subjects specifically covered are the relative place of subventions and tax sharing, the basis of sharing taxes, and state aid goals. Finally, state control of local finance is treated in five papers by Wylie Kilpatrick, Howard P. Jones, Alfred Willoughby, Rowland Egger, and Philip H. Cornick. These papers deal with state-local financial relations, state restrictions on local financing, governmental reorganization and intergovernmental relations, and state planning and future local revenues.

The papers as a whole hang together unusually well, much better than one would ordinarily expect in a symposium. They are all quite readable, and each makes some contribution to the general subject. The volume should find a place on the bookshelf of everyone who is interested in tax relations among our several governmental units. A valuable bibliography is appended to the papers. The volume might

have been somewhat improved by the addition of an index.

A. E. BUCK

Institute of Public Administration

The Government of the French Republic. By Walter R. Sharp. New York City, D. Van Nostrand Company, 1938. ix, 373 pp. $1.75.

French political institutions have long held a special attraction for American students of government. This is not surprising. France, "the most democratic of all the democratic great powers, and the least industrial of the industrial great powers," offers firmer encouragement to equalitarian sentiment than we find elsewhere. Moreover, her political evolution has effected a unique blend of governmental centralism and social localism, giving rise to both legislative supremacy and a body of administrative law defining carefully the inter-relations of public authority and individual freedom. Still, since the appearance of Middleton's *French Political System* in 1932, we have been waiting for an equally discerning analysis of that France put on the defensive within and without by the collapse of the Versailles order. Special studies by Lindsay Rogers, R. K. Gooch, Walter Sharp, and others have partially bridged the gap, but the present volume is the first to aim at a totality view. Ever since it was announced to be in the offing, its publication has been expected with high hopes. No greater compliment is possible than to say that the book does measure up to these expectations.

Professor Sharp has experimented with a novel approach to the subject matter, developing "realistically what may be called the functional cycle of political action." In following out this method of presentation he has successfully and instructively integrated the material. Grouping the major problems of contemporary French government and politics in eleven chapters, he deals with: (1) France as a national community, (2) the historic foundations of government, (3) popular representation, (4) the policy-making process: leadership and planning, (5) the policy-making process: parliament, (6) instrumentalities of administration, (7) the centralized "police" state, (8) economic *étatisme*, (9) social welfare services, (10) the enforcement of official responsibility, and (11) French democracy in a troubled world. The volume is closed by a well arranged bibliographical note (pp. 357-367); one strange omission is Stefan Riesenfeld's "French System of Administrative Justice," *Boston University Law Review*, vol. 18, pp. 48-82, 400-432, and 715-748, January, April, and November, 1938—the only extensive treatment of the subject available in English.

Readers of this REVIEW will probably turn with particular interest to Professor Sharp's discussion of French administrative organization. He gives an accurate picture of the department setup, interdepartmental coördination and direction, public personnel, and budgetary planning. Local government is somewhat under-represented, and viewed primarily from the angle of the central authority. A broader appraisal will be offered by the author in *Local Government in Europe* now in press—a volume on which, under the stewardship of William Anderson, Professor Sharp has joined forces with R. K. Gooch, Bertram W. Maxwell, H. Arthur Steiner, and his present reviewer. An integral part of France's administrative system is her methodically developed administrative law. The section devoted to judicial control of administrative behavior is both concise and comprehensive; it should find in this country the attention it deserves. While France today is faced with prospects "appalling to contemplate" (p. 353), the author's sympathetic and penetrating account distinguishes itself favorably from the swelling chorus of those who aid and abet dictatorship by predicting the doom of European democracy.

FRITZ MORSTEIN MARX

Harvard University

Civic Life in Milwaukee, 1937. Annual Consolidated Report of the Common Council. By Richard E. Krug and Helen Terry. Madison, Wisconsin, Municipal Reference Library, 1938. 80 pp.

Recent political science has tended to derespectabilize the neighborhood. Behind textbook subheads about the efficiencies of centralization lie veiled sneers at those vestiges of the neighborhood in government called the "ward" or the "district." Now the city of Milwaukee seems determined, at least in some degree, to reverse the trend. This new annual report, which looks like a cross between *Esquire* and a builder's prospectus (it measures eleven by fourteen inches and has a highly colored cover and heavy slick paper) deliberately glorifies the ward system by printing separate large colored street maps of every ward in town, with appropriate accompanying statistics. Apparently the idea is to bring government back alive to the citizen by reminding him of the relationship between the place in which he lives and the far-away place he calls city hall. And not a bad idea, either.

M. R.

Knowing the Tax Department and the Tax Commission of the City of New York. Second Edition. By William Stanley Miller. New York City, The Tax Commission, 1938. 66 pp.

From the split infinitive in its foreword to its refusal to be known as an "annual report" to its employment of the question-and-answer method of exposition, this pamphlet is an interesting and intelligent departure from the traditional. There are two quoted paragraphs from Cooley on Taxation to supply the legal background and a well conceived brief reminder of the kinds of municipal services which make the tax bill a bill for services rendered. The text represents an apparently successful effort to answer the taxpayer's questions about the mechanisms and controls of the taxpaying process.

M. R.

The Airport Dilemma. By American Municipal Association and American Society of Planning Officials. Chicago, Public Administration Service, 1938. vi, 46 pp. $1.00.

This is the first report of its kind in this country and represents a joint effort on the part of two national associations operating in the field of government and serving officials in all parts of the United States.

The report describes the growth of American aviation, gives facts and figures about municipal airports, and discusses some of the major questions which have arisen in connection with their financing, including the relationship of state and local units to the federal program of airway and airport development.

Under "Planning Airport Development" are analyzed the factors to be considered, the part to be played by the new Civil Aeronautics Authority and other federal agencies, position of state and local planning agencies and other groups, official and private, factors bearing upon airport location and upon control of land use adjacent to airports, and many related subjects.

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Taxation and Finance

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Taxes. Questions and Answers on State and Federal Taxes Levied in Wisconsin. Madison, Wisconsin, The Wisconsin Taxpayers Alliance, 1938 (third edition). 35 pp. Twenty-five cents.

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Public Utility Taxation in Ohio. By James Carlton Dockeray. Columbus, Ohio, The Ohio State University Press, 1938. xiii, 200 pp. $2.40.

Service Charges in Gas and Electric Rates. By Hubert Frank Havlik. New York, Columbia University Press, 1938. 234 pp. $2.75.